

MEMORANDUM

To: Members of the Housing Commission
From: Mary Cele Smith, Housing Planner (msmith@cityhpil.com)
Date: February 27, 2014

RE: HOUSING COMMISSION PACKET FOR 3-5-2014 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 IV. (Action Needed) Approval of Minutes**
 - Meeting Minutes for February 5th Regular Meeting
- **Agenda Item V. Scheduled Business**
 - **1. (Action Needed) Items for Omnibus Vote Consideration**
 - Payment of Invoices:
 - Manning, Silverman & Company, Invoice #200928368 for initial retainer for Sunset Woods audit and tax preparation for \$2,825.00
 - **2. (Consideration) Request from Al Klairmont to use portions of the Ravinia Housing Pleasant Avenue Site for parking as part of a mixed-use proposal for 515 Roger Williams. Supporting Materials:**
 - Letter from Applicant (to be emailed when available)
 - **3. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
 - February 2014 Management Report
 - Summary of Capital Improvements for Peers and Walnut Place
 - Accounts Receivable Up-Date (to be distributed later)
 - Summary Spreadsheets: Highland Park Housing Reserve Balances prepared 1/31/14
 - Housing Trust Fund Fiscal Year 2013, Unaudited through 1/31/14
 - Consideration of Management Agreements with Evergreen Real Estate Services for Peers, Walnut Place, and Ravinia Housing. **Supporting Materials:**
 - Memo from Staff (to be emailed under separate cover)
 - February 10, 2014 Letter from Polly Kuehl to Mary Smith
 - Extension and Amendment of Management Agreement for Peers 2014
 - Management Agreement Peers Housing Association 2008
 - Extension and Amendment of Management Agreement Highland Park Apartment Associates (Walnut Place) 2014
 - Management Agreement Walnut Place 2008
 - Housing Management Agreement Ravinia Housing
 - Project Owner's/Management Agent's Certification for Ravinia Housing
 - LSN Symbria Analytics Resident Satisfaction Surveys for Peers and Walnut Place

Part B. Detailed and Optional Material

- Financial Reports for Peers, Walnut, and Ravinia Housing Associations and for Sunset Woods Housing Association for the month ending January 31, 2014

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, March 5, 2014 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois**. The Meeting will be held in the Pre-Session Room on the second floor.

City of Highland Park
Housing Commission
Wednesday, March 5, 2014, at 6:30 p.m.
AGENDA

- I. Call to order**
- II. Roll Call**
- III. Business from the Public (Citizens Wishing to Be Heard Regarding Items not Listed on the Agenda)**
- IV. Approval of Minutes –February 5, 2014 Regular Meeting**
- V. Scheduled Business**
 1. Items for Omnibus Vote Consideration
 - Payment of Invoices:
 - Manning, Silverman & Company, Invoice #200928368 for initial retainer for Sunset Woods 2013 Audit for \$2,825.00
 2. Consideration of Request from Al Klairmont to use portions of the Ravinia Housing Pleasant Avenue Site for parking as part of a mixed use proposal for 515 Roger Williams
 3. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
 - Management Report
 - Property Report
 - Consideration of Management Agreements with Evergreen Real Estate Services for Peers, Walnut Place, and Ravinia Housing
 - Update on Peers window and air conditioning replacement project
 - Sunset Woods:
 - Report from Chair Meek
 - Other Sunset Woods business
- VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters**
- VII. Other Business**
- VIII. Adjournment**

DRAFT

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

MEETING DATE: Wednesday February 5, 2014

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

CALL TO ORDER

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

ROLL CALL

Commissioners Present: Adler, Elder, Kaltman, Kant, Meek, and Naftzger

Commissioners Absent: Zionts

Student Representatives Absent: Castellanos and Gerber

Chair Meek declared that a quorum was present.

Council Liaison Absent: Blumberg

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

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

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

APPROVAL OF MINUTES

Regular Meeting of the Housing Commission – January 8, 2014

Commissioner Kant 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 January 8, 2014. Commissioner Elder seconded the motion.

On a roll call vote:

Voting Yea: Adler, Elder, Kaltman, Kant, Meek, and Naftzger

Voting Nay: None

Chair Meek declared that the motion passed unanimously.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

Payment of Invoices: Mason, Wenk & Berman, L.L.C. for Invoice #37598 for legal services for Sunset Woods for \$893.75.

Planner M. Smith submitted invoice #37598 from Mason, Wenk & Berman, L.L.C. that came in after the Housing Commission Meeting packet went out for legal services for Sunset Woods for the draft Condominium declaration for \$893.75.

Chair Meek entertained a motion to approve payment to Mason, Wenk & Berman, L.L.C. for Invoice #37598 for \$893.75 for legal services for Sunset Woods regarding the draft amendment to the Sunset Woods condominium declaration. Commissioner Kant moved approval of the payment to Mason, Wenk & Berman, L.L.C. for Invoice #37598 for \$893.75 for legal services for Sunset Woods regarding the draft amendment to the Sunset Woods condominium declaration. Commissioner Naftzger seconded the motion.

Commissioner Kaltman recused herself from voting.

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

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

Sunset Woods:

Consideration of Draft Amendment to the Condominium Declaration

Chair Meek, who serves as the Commission's representative to the Sunset Woods Condominium Association Board, said that the entire membership was likely to vote on the amendment to the Condominium Declaration at a special meeting on March 12th or 14th. The primary purpose for the amendment is to enable the Sunset Woods Condominium development to maintain Federal Housing Administration (FHA) approved status. FHA requires that at least one unit may be leased, exclusive of units leased pursuant to a hardship provision or to immediate family members. It is critical to the continuing success of the development that it maintains FHA approved status. The majority of mortgages today are FHA insured loans, and it is predicted that soon 70 to 80% of all loans will be FHA insured. In addition to making this change, the Sunset Woods Association and Condominium Association agreed that it was a good opportunity to examine the Declaration to clarify some language and to correct a few typos. The Sunset Woods Condominium Association Board recommends this amendment.

Planner M. Smith pointed out that the Sunset Woods Association's 14 rentals would be subject to the Crime Free Leasing Policy that accompanies the draft amendment. The Commissioners said that they understood that. Commissioner Adler pointed out the need to redact any income information or private data when the management company provides copies of the leases to the Sunset Woods Condominium Association. The management company would provide copies of leases for new tenants and upon renewal of leases for existing tenants. Planner M. Smith said that she would talk to the management company, Housing Opportunity Development Corporation, HODC, to be sure that any income or sensitive information is redacted.

After discussion, Chair Meek entertained a motion to approve the Amendment to the Sunset Woods Condominium Declaration and the Crime Free Leasing Policy and to authorize Chair

Meek to cast the Sunset Woods Association votes for the Amendment and the Crime Free Leasing Policy. Commissioner Kant moved approval of the Amendment to the Sunset Woods Condominium Declaration and the Crime Free Leasing Policy and to authorize Chair Meek to cast the Sunset Woods Association votes for the Amendment and the Crime Free Leasing Policy. Commissioner Adler seconded the motion.

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

Update on Federal Housing Administration approval process

Berkson Management agent Debbie Nissen is coordinating the Federal Housing Administration (FHA) approval process for the Sunset Woods development.

Other Sunset Woods Business

Chair Meek reported that the Condominium Association Board recommended a budget amendment to increase assessments \$10 a month in order to create the reserve that the Federal Housing Administration (FHA) requires before giving FHA-approved status. The Board plans to put the budget amendment recommendation on the same meeting agenda in March as the draft condominium declaration.

Consideration of Contract with Full Circle Architects for Peers project drawings and other services as the Housing Commission directs

The Commissioners were disappointed that Community Development Director Fontane directed staff that Evergreen must now solicit requests for proposals for the architectural services for this Peers project. Director Fontane acknowledged that the Housing Commission Ordinance did not require this step, but he believes that it is good policy. While the Commissioners agree that it is generally good policy and require Evergreen to do so in almost all cases, they believed that the evolution of the project over two years, working on an hourly basis as needed with Full Circle Architects, was good justification for continuing the relationship now for the project drawings.

Update on Peers window and air conditioning replacement project

Planner M. Smith said that the construction phase of the project would go out for fixed price bids rather than rely on contractor Bruce Sterling to coordinate the subcontractor bids as was discussed as a possibility at the last meeting. Planner M. Smith also reported on the outcome of a meeting today with Commissioner Adler, the remaining member on the Buildings and Grounds Working Group, and Commissioner Kant. As a result of this discussion, the two Commissioners and staff recommend a different scope of work for the request for proposals. The main questions that remained after the December Commission consideration of the project were why not use transfer grills with fans throughout the building rather than only on the first and fourth floors and, related to this, why add a bedroom through-wall unit a. c. unit on the second and third floors if a transfer grill with fan would provide sufficient air circulation on the first and fourth floors? One of the obvious reasons for not adding bedroom a.c. units throughout the building was the high cost given other long-term capital needs of the building. Given the high cost of adding bedroom a.c. units on the second and third floors, was there sufficient consideration given to using the transfer grill with fan on these two floors as well? The two Commissioners and staff concluded that there was not sufficient information to answer these questions without testing the transfer grill with fan proposal.

As a result, they recommend dividing the project in two phases. The first phase would be the window replacements in all apartments and changes to the bay windows on the second and third

floor to install fire separation and to relocate the bay window air conditioning unit. The new a. c. units would be outside the bay windows in a new through-wall location. The second phase of the project would be to:

1. conduct tests at selected locations throughout the building of transfer grills with fans between the living room and bedrooms to improve air conditioning circulation.
2. if the test results are good, then install transfer grills with fans throughout the one-bedroom units in the building.
3. if the test results were deemed poor, then the Commission would consider installing through-wall air conditioning units in the bedrooms as needed.

The changes from what the Commission approved in December are:

1. dividing the project into two phases,
2. providing only one new air conditioner unit in the second and third floor apartments,
3. after completion of the first phase, conducting tests of transfer grills with fans before deciding on the next set of appropriate air conditioning improvements.

The project drawings also will need to include this different scope. The architect will need to provide drawings to show the following alternatives:

1. Plans for new through-wall air conditioning units on the second and third floors in the main room,
2. Plans that include alternative one and also show new through-wall a.c. units in the bedrooms on the second and third floors, and
3. Plans that include alternative one and show new through-wall a.c. units in the bedrooms on all four floors.

The Commissioners concurred with this new recommendation.

Chair Meek left the Meeting at 7:10. The Commissioners selected Vice Chair Naftzger to Chair the rest of the Meeting. Commissioner Kant said that there might need to be different air conditioning units in different locations in the building. Planner M. Smith said that she understood that the through-wall a.c. sleeves can accommodate a.c. units with different B.T.U.s. The Commissioners agreed that the amount of a.c. power needed could be addressed as the project went forward.

After discussion, Vice Chair Naftzger entertained a motion to proceed with the Peers project for window and selected air conditioning unit replacements for architectural services and for project construction in two phases as described above. Phase 1 will be the window replacements in the apartments throughout the building along with bay window work and new through-wall a.c. units on the second and third floors. Phase 2 will be to test the transfer grills with fans and to develop appropriate recommendations from those tests. Commissioner Kant moved approval to proceed with the Peers project for window and selected air conditioning unit replacements for architectural services and for project construction in two phases as described above. Phase 1 will be the window replacements in the apartments throughout the building along with bay window work and new through-wall a.c. units on the second and third floors. Phase 2 will be to test the transfer grills with fans and to develop appropriate recommendations from those tests. Commissioner Elder seconded the motion.

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

Management Report

Planner M. Smith reviewed the Accounts Receivable information from the Management Report. The Commissioners had a number of questions about it that Ms. Polly Kuehl, Senior Vice President, Evergreen Real Estate Services will answer when she attend the March 5th Meeting. Planner M. Smith said that consideration of the extension of the two-year Management Agreements with Evergreen Real Estate Services for the management of Peers, Walnut Place, and Ravinia Housing also will be on the March Agenda. The current agreements end June 30, 2014.

Property Operations Report

There was no additional discussion of the financial reports.

Ratification of Accounting Engagement Letters for Peers and Ravinia

Planner M. Smith reviewed the staff memo in the packet. The Commissioners agreed that Evergreen Real Estate Services should send out requests for proposals for accounting and tax preparation services for Peers and Ravinia Housing in the summer.

Vice Chair Naftzger entertained a motion to ratify the accounting engagement letters with CBIZ for accounting and tax preparation services for 2013 for Peers and Ravinia Housing. Commissioner Kant moved ratification of the accounting engagement letters with CBIZ for accounting and tax preparation services for 2013 for Peers and Ravinia Housing. Commissioner Elder seconded it.

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

EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

Vice Chair Naftzger entertained a motion to adjourn the meeting. Commissioner Elder moved to adjourn. Commissioner Kaltman seconded the motion.

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

The Housing Commission adjourned its meeting at 7:50 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner



CERTIFIED PUBLIC ACCOUNTANTS

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Lincolnshire, IL 60069
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SUNSET WOODS ASSOCIATION
C/O LEE SMITH
CITY OF HIGHLAND PARK
1150 HALF DAY ROAD
HIGHLAND PARK, IL 60035

February 15, 2014

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

Invoice # 200928368

Initial Retainer (1 of 2) for Audit of
Financial Statements for Year Ended
December 31, 2013

2,825.00

For professional services rendered

\$2,825.00

Balance due

\$2,825.00

We are available to help with all of your tax and planning needs. Please feel free to give us a call.

MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl & Mary Mauney 

RE: **February Management Report/ January Financial Statements**

DATE: February 26, 2014

Evergreen is developing an RFP for architects to develop one scope of work and bid documents for Frank B. Peers window/fire separation project. Evergreen will follow City requirements for publically announcing the RFP.

The repairs due to the pipe break January 3rd at Frank B. Peers have been completed. The incident was closed out by our insurance company who issued a check to us for \$1,583.

At Walnut Place, our contractor received additional requirements from the city and has resubmitted the bid which will encompass the City code requirements. The cost has increased to \$70,200.00 and will again be submitted to the city for approval. We have spoken to IHDA who has approved the changes.

At Ravinia, St. Johns, camera installation has begun. Imperial Surveillance ran into some issues with the electrical supply in the two houses which has delayed the project, but the cameras should be installed and the monitoring system is scheduled to be completed by February 28th.

Frank B. Peers

Occupancy: There were two vacancies at Frank B. Peers during the month of February. Both are ready for occupancy. One is scheduled for move-in on Thursday, February 27th. We are qualifying people for the other unit.

Physical: Frank B. Peers had their REAC inspection on February 12, 2014. We received the results a few days later. The property scored an 88b. The property lost points on the following items:

Missing Handrail in a Mechanical Room area	.97
Damaged Frame for entry door that leads to outside the building	2.98

Two Inoperable Ground Fault Interrupters (1 point each	2.00
Toilet handle not attached securely	.75
Deteriorated caulking at 3 windows (.45 points each)	1.80

In addition there were several very low point unit items that added together for the balance of the deductions. We plan to submit an appeal for the cited damaged exterior door frame as our door contractor, Great Lakes Door, can certify the door functioned as intended by the manufacture in the state seen during the REAC inspection. This would put the score of the property over 90 and our next inspection would not be for at least another 3 years.

Aside from routine maintenance, the property spent the first part of February getting ready for the REAC inspection. In addition, there remained an excessive amount of snow and ice that needed to be shoveled and salted. Quarterly pest control was completed at the property.

Social Programs: Regular social programming occurred including weekly bingo and distribution of food boxes by Catholic Social Services. There was also an ice cream social on February 25th and a Valentine Conversation and Sweets Party was held on February 12th.

Financial: Net Operating Income (NOI) for January was negative to budget at (\$10,376). YTD NOI was the same. Weather related expenses (broken pipe, snow removal, and heating were the main reason for the negative variance. Cash carryover increased to \$35,052.

Income - Income was \$341.83 positive to budget at the property. This was due to our receipt of the annual payment from the Russian cable station during January.

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

- Office Equipment (#6316) Includes cost of quarterly postage meter, rental, and ink.
- Consulting/Study Costs (#6380) - Reflects fees paid for consulting work on the window project.
- Miscellaneous Administrative Expenses (#6930) - Includes cost of contractor for PRE REAC inspection and air purifier that was bought for a resident who was extremely sensitive to neighbor's smoke. We put the air purifier in the smoker's apartment which solved the problem.
- Tenant Retention (#6395) Includes expense for New Year's party which is one of the larger parties we have here during the year.
- Water (#6451) - Includes quarterly charges for water.
- Gas (#6452) Cost considerably high for month of January due to unseasonably cold weather.
- Grounds Contractor (#6537) Includes cost of final annual payment to contractor for work done in November.
- Heating/Cooling Contractors (#6546) – Includes quarterly preventative maintenance and service call.
- Snow Removal (#6548) Because of high snowfall during the month, removal costs were much higher than budgeted.

- Carpentry Repairs (#6594) – Reflects cost of contractor to make repairs to units damaged during flooding. This account was reimbursed in February \$1,500 from insurance. This credit will be reflected on February statement.

Walnut Place

Occupancy: Walnut was 100% occupied during the month of February.

Physical: During the month of February maintenance handled regular work orders along with the snow and ice. Quarterly pest control was completed at the property.

Social Programs: Regular social programming occurred including weekly bingo and distribution of food boxes by Catholic Social Services. There was also an ice cream social on February 24th and a Valentine Conversation and Sweets Party was held on February 14th.

Financial: **Net Operating Income (NOI) for January was negative to budget by (\$278) and YTD NOI was the same. Cash carryover decreased to \$918.98**

Income - Income was positive to budget by \$1,654 due to no vacancy and higher than normal income from laundry.

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

- Office Equipment (#6316) Includes cost of quarterly postage meter rental and ink.
- Tenant Retention (#6395) Includes expense for New Year’s party which is one of the larger parties we have here during the year.
- Heating/Cooling Contractors (#6591) Reflects fall maintenance service and a service call to the property when heat was out in the common areas.
- Grounds Contractor (#6537) Includes cost of final annual payment to contractor for work done in November.
- Elevator Contractor (#6545) – Reflects payment for annual inspection.
- Heating/Cooling Contractors (#6591) – Reflects quarterly service and service call to repair heat in common areas.
- Snow Removal(#6548) Because of high snowfall during the month, removal costs were much higher than budgeted.
- Electrical Repairs (#6591) Service call to replace meter socket at townhouse.
- Boiler Repairs (#6592) – Reflects repair to boiler.
- Carpentry Repairs (#3261) – Reflects replacement of kitchen cabinets in townhouse.

Ravinia Housing

Occupancy: We currently have two units vacant at Ravinia, 763 and 2745.

763 Pleasant (three bedroom)

This apartment became available on November 13, 2013 and was ready for occupancy the first week of December. The unit was accepted by a family who was scheduled to move in on December 30th but failed to come in and sign the lease. The family was called repeatedly. The mother did come in on January 7th but because we were in the New Year, she would have to wait until we could move an extremely low income resident into the property before we could move her in. This is because our income targeting policies dictate that we always offer the first unit of the year to an extremely low (30% median income) family. We have worked with four other families on the waiting list for this apartment. The first two had changes in family composition, one that had occurred days before the scheduled move in, and no longer qualified for the unit. The third's income was also too high to be the first move-in of the calendar year. Three additional letters were sent out to applicants asking them to come in to qualify for occupancy for this unit. They were required to respond by February 24th.

2745 St. Johns (four bedroom)

This apartment was utilized by the police department during the months of November, December and January. We worked on qualifying families for the unit during January. During January we had an individual who failed the criminal screening. Two other families we tried to qualify in January had to be rejected due to a decrease in the family size and have been transferred to the two bedroom list. We contacted the next three people on the waiting list during January and two failed to respond and the other was no longer interested. Currently we have a family that was interviewed on February 21st. The adult in the family has passed the criminal screening and we are waiting on the 16 year old daughter's report to come back. If that comes back acceptable, we will be offering this unit to this family. One other applicant responded and we will be interviewing her on February 24th. Once this unit is rented, we will offer 763 at Pleasant to one of the two residents noted above whose income falls into the very low category.

Physical: Regular maintenance including clearing the snow and ice.

Social Programs: Resident newsletter distributed.

Financial: Net Operating Income (NOI) for February was negative to budget by (\$7,707) and YTD NOI was the same. This was due specifically to higher than budgeted snow removal costs. Cash carryover decreased to \$570.82.

Income –Income is negative to budget at (\$1,427) due to the two vacant units.

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

- Miscellaneous Repair Contractors (#6520) - Snow removal cost is included in this account.

Ravinia Housing Capital Improvements Up-Date											
Task	Date for Work	\$ Use of R&R	\$ Use of Construction	\$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date	
1	Cameras	Mar/May	\$ 102,760								
2	Parking Lot Paving	August	\$ 18,000		\$ 3,000	install started St. John 2/3/2014				1/21/2014	
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
<u>Reserves Cash Flow</u>											
Reserves Starting January 1, 2013	\$ 568,012										
2013 Annual Deposit	\$ 16,176										
Use of Reserves in FY	\$ (120,760)	TOTAL	120,760	-	3,000		TOTAL	-	-		
Balance expected January 1, 2014	\$ 463,428										

Frank B. Peers Capital Improvements Up-Date										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacement Reserve Request Date	
1 Kitchen Replacements			120,000	-						
2 Furniture				1,000						
3 Landscape				1,000						
4 Concrete Repairs				1,000						
5 Appliance Replacement				600						
6 A/C Replacements				1,200						
7 Carpet and Tile			30,000	6,500						
8										
9										
Windows from Partnership Funds			650,000							
<u>Reserves 2013 Cash Flow</u>										
Reserves Starting January 2013	\$	162,322								
2013 Annual Deposit to Reserves	\$	22,368								
Expected Use of Reserves (\$\$) 2013	\$	(150,000)	Total	800,000	11,300		-	-		
IHDA Reserves										
Balance expected at the start of 2014	\$	34,690								

Walnut Place Capital Improvements Up-Date										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Operating Spent	\$ Actual Reserves Spent	Replacment Reserve Request Date	
1 Carpet and Tile		Aug-14	10,000							
2 Carpet and Tile		Nov-14	8,000	3,000						
3 Replace Fire Panel		Win/Spr	42,000		Request made-Waiting City approval				Nov-13	
4										
5										
6										
7										
8										
9										
10										
11										
<u>Reserves 2013 Cash Flow</u>										
Reserves Starting January 2013	\$ 185,471									
2013 Annual Escrow Deposit	\$ 18,000									
Expected Use of Reserves \$\$ in 2013	\$ (60,000)	Total	60,000	3,000			-	-		
Balance expected at start of 2014	\$ 143,471									

Highland Park Housing Commission									
Reserve Balances									
Date: 1/31/2014									
							Sunset		
Account Name		Frank B. Peers		Walnut Place		Ravinia Housing		Woods	TOTAL
Checking (Property)		35,052		919		571		35,822	
Security Deposit		23,667		21,737		8,487		10,514	
Replacement Reserve		164,239		187,337		568,012		0	
Residual Receipts		31,875		27,095		0		0	
Operating Reserve		0		0		16		9,126	
						(Construction Escrow)			
Association Money				104,605		81,853		128,714	
Market Checking									
Association Small Business Checking		9,525						9,202	
Association Receivable/(Liability)								(267,014)	
1) Due from Hsg. Trst. Fd 277 GB		7,492	Total						
2) Due from Hsg. Trst Fd. Emerg.		689	A/R						
3) Due from Sunset Woods		258,832							
Association CDs	Maturity								
CD #1	7/7/2014	505,959							
CD #2	4/7/2014	506,652							
Association MaxSafe Money Market		1,113,608							
TOTAL		2,657,591		341,693		658,939		(73,636)	

Housing Trust Fund		
Fiscal Year 2014		
January 1 - December 31 - Unaudited	Unaudited	Notes
	Through 01/31/2014	
Beginning Balance, Jan 1 (Unaudited)	\$841,059	
Revenue:		
Demolition Tax	13,334	
Demolition Permits	1,500	
Interest Revenue	0	
Contributions/Donations/Other	0	
Proceeds of Ceding Volume Cap	0	
	14,834	
Expenditures:		
Program Costs	(2,878)	
	(2,878)	
Ending Balance	\$853,015	
Pending Liabilities		
CPAH Scattered Site Program	(\$215,000)	
Employer Assisted Housing	(\$20,000)	
HPI CLT Operating Grant 2013	(\$85,000)	
Emergency Housing Assistance	(\$10,000)	
Housing Planner	(\$35,122)	
Total Pending Obligations	(\$365,122)	
Net Balance	\$ 487,893	
<i>Prior Month Balance (11-30-13)</i>	<i>\$555,071</i>	
Month to Month Change	\$ (67,178)	Reflects the beginning of the year obligations of the approved obligations of the Trust Fund



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

February 10, 2014

Ms. Mary Smith
Department of Community Development
City of Highland Park
1150 Half Day Road
Highland Park, IL 60035

RE: Management Agreement Renewals

Dear Mary:

As we discussed, the management agreements for the 3 Highland Park properties expire on June 30, 2014. I have prepared renewal contracts and all terms and fees remain the same as in the current contracts.

Please find enclosed the following:

- Extension and Amendment of Management Agreement for Walnut Place (4 copies) – Note: As the fees will not change, the Extension does not list a fee. The last contract's fee was 5.2%.
- Extension and Amendment of Management Agreement for Frank B. Peers (4 copies) – Note: As the fees will not change, the Extension does not list a fee. The last contract's fee was 5.2%.
- Original Management Agreement for Walnut Place (commencing July 1, 2008) – Note: This is the Agreement upon which all previous and current renewals are based.
- Original Management Agreement for Frank B. Peers (commencing July 1, 2008) – Note: This is the Agreement upon which all previous and current renewals are based.
- Management Agreement for Ravinia Housing (4 copies)
- Management Certification for Ravinia Housing (4 copies)

During the past couple of years, in addition to the routine daily management we are proud to have been able to accomplish the following larger-scale projects to benefit the properties:

- Implement CEDA and CIC grants for energy related capital improvements (windows at Walnut Place and two new boilers and two new boilers at Frank B. Peers)

- Refinanced Ravinia Housing through the Mark-to-Market (M2M) Program
- Implement moderate rehabilitation at Ravinia Housing (subsequent to refinancing)
- Coordinate the window replacement and fire wall project at Frank B. Peers
- Conduct Resident Satisfaction Surveys at Frank B. Peers and Walnut Place
- Prepared for REAC inspections and annual Management and Occupancy Reviews – the properties had excellent results
- Researched and adjusted all A/R from many years ago for all the properties

We have always enjoyed working with the properties, the Housing Commission and your office and look forward to a continued relationship. If there are any questions, please let me know. Thanks.

Sincerely,



Polly Kuehl, CPM
Senior Vice President

Enclosed:

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the _____ day of May 2014, by and between Peers Housing Association (the "Owner") and Evergreen Real Estate Services, LLC (the "Property Manager").

RECITALS

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

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

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of 2 year(s), beginning on July 1, 2014 and ending on June 30, 2016, unless terminated earlier as provided in the Management Agreement.
3. **Warranties and Representations.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

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

OWNER: Peers Housing Association
By: _____
Print Name: _____
Title: President
FEIN # 36-2949405

PROPERTY MANAGER: Evergreen Real Estate Services, LLC
By: *Stephen Rappin*
Print Name: Stephen Rappin
Title: President
FEIN # 36-4274778

This Amendment is approved this _____ day of _____.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:
By: _____
Print Name: Tony Hernandez
Title: Director, AMS

MANAGEMENT AGREEMENT
(Section 8/236 - Up and Running)

THIS MANAGEMENT AGREEMENT (this "Agreement"), made as of the 2nd day of April 2008, by and between Peers Housing Association ("Owner"), an Illinois not for profit corporation, having its principal office at Highland Park, Illinois, and Evergreen Real Estate Service ("Property Manager"), an Illinois limited liability corporation having its principal office at Chicago, Illinois;

WITNESSETH:

WHEREAS, Authority has made the Loan to Owner, not personally but as Trustee (the "Trustee") under a Trust Agreement dated 5/1/94, and known as Trust No. 11827300 (the "Trust") for the acquisition, construction and permanent financing of the Development; Trustee is the legal titleholder of the Development and Owner is the sole beneficiary of the Trust; and

WHEREAS, Owner, as a limited or non-profit entity under the Act and a recipient of the benefits of the Loan, is required to comply with the Act, the Regulatory Agreement, all applicable rules and regulations of Authority; and

WHEREAS, Property Manager is experienced in the operation, maintenance, marketing, management and leasing of multifamily housing developments similar to the Development; and

WHEREAS, Owner desires to retain the services of Property Manager for the operation, maintenance, marketing, management and leasing of the Development and Property Manager desires to provide such services.

NOW THEREFORE, in consideration of the mutual agreements contained in this Agreement, Owner and Property Manager agree as follows:

1. **Recitals**. The Recitals set forth above are incorporated in this Agreement by this reference.

2. **Definitions**. As used in the Agreement, the following terms shall have the meanings indicated below:

(a) "Act": the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time.

(b) "Affirmative Fair Housing Marketing Plan": the Affirmative Fair Housing Marketing Plan for the Development, as approved by Authority.

(c) "Authority": the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois created by and existing pursuant to the Act.

(d) "DCR": the debt service coverage ratio for the Development; the DCR is the net operating income of the Development for a fiscal year less Replacement Reserve Payments, divided by the annual debt service on the Loan and any subordinate mortgage loan on the Development. Calculation of the DCR for any calendar year shall be based on the annual audit for the Development required under the Regulatory Agreement, as approved by Authority. No interim audits shall be used.

(e) "Development": the real property legally described on **Exhibit A** attached to this Agreement and made a part of it, commonly known as Frank B. Peers, located in Highland Park, Illinois; and the improvements, buildings, appurtenances, equipment and personal property located on it. The Development includes 68 Units, _____ parking spaces and 0 square feet of commercial space.

(f) "Development Bank Account": the bank account into which all Development funds, including, but not limited to, rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development, are deposited. The Development Bank Account shall be established in a bank in the State of Illinois whose deposits are insured by the Federal Deposit Insurance Corporation. The funds in the Development Bank Account shall not be commingled with any other funds.

(g) "Fiscal Year": the calendar year unless specifically provided to the contrary in this Agreement.

(h) "Gross Collections": all amounts actually collected by Property Manager as rents or other payments, including, but not limited to, vending machine collections and parking fees, but excluding (1) excess income collected on Section 236 units (if the Development is a Section 236 Development, (2) income derived from interest or investments, (3) discounts and dividends on insurance and (4) security deposits.

(i) "HAP Contract": the Housing Assistance Payments Contract among Authority, Owner and HUD pursuant to which HUD is obligated to make certain rental assistance payments to Authority on behalf of Owner (if the Development is a Section 8 Development).

(j) "HUD": the United States Department of Housing and Urban Development.

(k) "Initial Closing Date": the date the Authority issues its initial closing memorandum in connection with the Loan.

(l) "Initial Rent-up Period": the period from the earlier of eighteen (18) months from the issuance of the Certificate of Occupancy and the date when occupancy of dwelling units in the Development first reaches ninety-five percent (95%).

(m) "Interest Reduction Contract": the Interest Reduction Contract or Agreement for Interest Reduction Payments among Authority, Owner and HUD pursuant to which HUD is obligated to make certain interest reduction payments to Authority on behalf of Owner (if the Development is a Section 236 development).

(n) "Lease": the Authority's Model Lease, or such other form of lease as may be approved in writing by Authority.

(o) "Loan": the mortgage loan made by Authority to Trustee for the acquisition, construction and permanent financing of the Development, evidenced by the Note, secured by the Mortgage and governed by the Regulatory Agreement.

(p) "Loan Documents": the Note, the Mortgage, the Regulatory Agreement and all other documents evidencing, securing or governing the Loan.

(q) "Management Plan": the Management Plan for the Development, as approved by Authority, attached to this Agreement as **Exhibit B**; the Management Plan is incorporated in this Agreement by this reference.

(r) "Marketing Plan": the marketing plan for the Development, as approved by Authority.

(s) "Mortgage": that certain mortgage, including any amendments to it, on the Development under which Authority is the mortgagee and Trustee is the mortgagor, and which secures the Loan.

(t) "Note": that certain mortgage note executed by the Trustee evidencing the Loan.

(u) "Operating Budget": the annual operating budget for the Development, as approved by Authority.

(v) "Regulatory Agreement": the Regulatory and Land Use Restriction Agreement executed by the Borrower and Authority at the initial closing of the loan, and any amendments to it, executed by and between Owner, Authority and Trustee, governing the Development.

(w) "Replacement Reserve Payments": The amounts required under the Regulatory Agreement to be deposited annually in the reserve fund for replacements for the Development; and the amounts required to be deposited annually in any other reserve accounts established for the Development.

(x) "Tenant": an individual or family occupying a Unit pursuant to a Lease.

(y) "Tenant Selection Plan": the Tenant Selection Plan approved by Authority for the Development, as amended from time to time.

(z) "Unit": a unit in the Development intended for use as a private dwelling.

3. **Expertise of Property Manager.** Property Manager represents and warrants to Owner that it possesses the necessary skills, experience and expertise to properly manage the Development and to comply with the terms and conditions imposed upon it by this Agreement.

4. **Compliance with Laws.** Property Manager represents and warrants to Owner that it is familiar with, and represents that it shall act in compliance with, all applicable federal, state and local laws, ordinances and regulations when managing and maintaining the Development, including, but not limited, to the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973; and represents and warrants that it is familiar with issues involving equal employment opportunity, fair housing, eviction proceedings, security deposits, non-discrimination in connection with disabled persons, utility services and criminal activities that may result in property forfeiture. Property Manager further represents and warrants to Owner that it will keep informed of, and act in compliance with, all applicable new laws, ordinances and regulations that may be enacted during the term of this Agreement as they pertain to the management of the Development.

5. **Appointment of Property Manager.** Subject to Authority's written approval of this Agreement, Owner appoints Property Manager, and Property Manager accepts such appointment, as Owner's exclusive property manager for the management and leasing of the Development, subject to the terms and conditions of this Agreement. In making and performing this Agreement, Property Manager acts and shall at all times act as an agent of Owner.

6. **Regulation of the Development.** Property Manager acknowledges its receipt of the Regulatory Agreement, certifies that it has reviewed it and is thoroughly familiar with all other applicable rules and regulations of Authority and covenants with Owner that it shall undertake and perform all of Owner's management duties and responsibilities in compliance with the Act, the rules and regulations of Authority, the Regulatory Agreement and the other Loan Documents.

Property Manager further acknowledges that one hundred percent (100 %) of the Units may receive the benefit of:

~~(a) mortgage interest reduction payments pursuant to Section 236 of the National Housing Act ("Section 236 Payments"); or~~

(b) housing assistance payments under Section 8 of the United States Housing Act of 1937 ("Section 8 Payments"); or

~~(c) _____ (strike inapplicable subparagraph(s)).~~

7. **Meetings with Owner and Authority.** Upon the request of Owner, Property Manager agrees to cause a representative of Property Manager to confer with Owner and Authority and to attend meetings with Owner and/or Authority at any reasonable time or times requested by Owner or Authority.

8. **Provision of Information.** As soon as practicable, but not later than final completion of the Development, Owner shall furnish Property Manager with a complete set of "as built" plans and detailed specifications for the Development, as finally approved by Authority, and copies of all guaranties and warranties pertinent to construction, fixtures and equipment of the Development. With the aid of this information and inspection by competent personnel, Property Manager shall thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Development, and especially the electrical, heating, plumbing, air conditioning and ventilating systems, elevators, and all other mechanical equipment in the Development.

9. **Disclosure.** Property Manager shall not disclose to third parties any information pertaining to the Development except when necessary, to carry out Property Managers duties under the terms of this Agreement or in response to written requests from Authority or HUD.

10. **Waiver of Lien Rights.** To the extent permitted by law, and provided that the Loan has not been repaid, Property Manager subordinates any and all lien rights it may be able to assert, during the term of this Agreement or thereafter, on or against the Development arising from the services to be provided under this Agreement to the lien of the Mortgage. Property Manager shall provide whatever documentation may be requested by Owner and Authority to evidence Property Manager's subordination of its lien rights.

11. **Compliance.** Property Manager shall furnish whatever information is requested by Owner or Authority that would be necessary for Owner or Authority to determine whether Property Manager is acting in compliance with the terms and conditions of this Agreement.

12. **Marketing.** After the Initial Rent-up Period, Property Manager, with the marketing agent, if applicable, shall carry out the marketing activities prescribed in the Management Plan, observing all requirements of the Regulatory Agreement, the Marketing Plan approved by Authority and the Affirmative Fair Housing Marketing Plan. Subject to the prior approval of Owner, advertising expenses incurred by Property Manager on behalf of Owner pursuant to the Operating Budget shall be paid out of the Development Bank Account as expenses of the Development.

13. **Rentals.** Property Manager shall offer for rent and shall rent the Units, parking spaces, commercial space (if any) and other rental facilities and concessions in the Development in accordance with the rules and regulations of Owner and Authority, as amended from time to time. Owner authorizes Property Manager to execute, on Owner's behalf, Leases and, if applicable, commercial leases, if applicable, in connection with such rentals. In connection with such rentals, the following provisions shall apply:

(a) Property Manager shall comply with the requirements of the Marketing Plan, the Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan. A copy of the Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan shall at all times be kept at the Development, and shall be made available to any Tenant or prospective Tenant upon request. Property Manager shall cause all rental agents, on-site managers and property supervisors for the Development, and all other employees, to extent applicable, to be familiar with the contents of such Plans.

(b) Property Manager shall show Units to all prospective Tenants.

(c) Property Manager shall take and process applications for rental of Units. If an application is rejected, the applicant shall be promptly advised in writing in the manner provided in the Tenant Selection Plan.

(d) Property Manager shall prepare all Leases, parking permits and other pertinent agreements, and shall execute them in its name as agent for Owner. The terms of all Leases shall comply with the pertinent provisions of the Regulatory Agreement and the directives of Authority. All Leases shall be in a form approved by Authority.

(e) Owner shall, from time to time, furnish Property Manager with rent schedules, which shall show rents for Units and other charges for facilities and services approved by Authority. In no event shall such rents and other charges be exceeded or reduced without the prior written approval of Authority. Tenant eligibility for Units that are rented at less than market rents, and the amount of such lesser rents, shall be determined in accordance with the Regulatory Agreement and/or the directives of Authority submitted to Owner and Property Manager.

(f) Property Manager shall collect, deposit and disburse security deposits, if required, in accordance with all applicable State and local laws and the terms of each of Tenant's Lease. The amount of each security deposit shall be as specified in the Management Plan, or if not so specified, as approved by Authority. Property Manager shall hold security deposits in a trust account, separate from all other accounts and funds, in a bank or other financial institution whose office is in the State of Illinois and whose deposits are insured by an agent of the United States Government, all in accordance with the terms of the Regulatory Agreement. This account shall be controlled and managed by Property Manager and designated of record as "Frank B. Peers Development Security Deposit Trust Account". Interest on security deposits shall be paid in accordance with all applicable State and local laws.

(g) Property Manager shall maintain a current list of prospective Tenants and undertake all arrangements necessary and incidental to the acceptance or rejection of rental applications and the execution of Leases, all as provided in the Tenant Selection Plan. Property Manager shall exercise its best efforts (including, but not limited to, placement of advertising; assistance in completion of rental applications and execution of Leases; processing of documents and credit and employment verifications; and explanation of the rules of the Development), to effect the leasing of Units, renewal of Leases and, in accordance with the terms of the Lease, subleasing of Units.

(h) If there is commercial space in the development, Property Manager shall negotiate commercial leases and concession agreements, and, subject to prior approval by Owner and Authority of all terms and conditions of such leases and agreements, shall execute them in its name, identified as agent for Owner. Commercial rents for the Development shall not be less than the minimum approved by Owner and Authority.

(i) Property Manager shall perform such other acts as requested by Owner or Authority that are reasonable, necessary and proper in the discharge of Property Manager's duties under this Agreement.

(j) Property Manager shall prorate the first month's rent collected from a Tenant should such Tenant move into a Unit on any day other than the first day of the month. If the Tenant's occupancy of the Unit occurs after the twentieth (20th) day of the month, the prorated amount, plus the next month's rent, shall be collected on or before the first day of occupancy.

(k) Property Manager shall participate in such on-site inspections of the Development as may be required by Authority or Owner, including, but not limited to, (i) participation with each new Tenant in the inspection prior to occupancy of the Unit identified in the Lease with the Tenant and (ii) participation with the Tenant in the inspection of that Unit at least once each year thereafter.

(l) Property Manager shall immediately notify Owner and Authority in writing of all claims in connection with the Development asserted against Property Manager or the Development, or of any lawsuit served upon Property Manager in connection with the Development.

(m) Property Manager shall counsel all prospective Tenants concerning eligibility for Units, and shall be responsible for determining tenant eligibility for federal rent subsidy programs and shall fully comply with all laws and regulations governing eligibility, certification and recertification of Tenants receiving the benefit of such federal rent subsidy programs. Property Manager shall provide, and to the extent possible, verify, income certification and recertification forms for execution by each Tenant.

14. **Collection of Rents and Other Receipts.** Property Manager shall collect when due all rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development. Such receipts (except for Tenants' security deposits, which shall be handled as specified in **Paragraph 13(f)** above) shall be held in the Development Bank Account, in an Illinois domiciled financial institution, separate from all other accounts and funds. The Development Bank Account shall be carried in Property Manager's name and designated of record as "Frank B. Peers Development Bank Account".

15. **Enforcement of Leases.**

(a) Property Manager shall secure full compliance by each Tenant with the terms of such Tenant's Lease. Voluntary compliance shall be emphasized, and Property Manager shall counsel Tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by Property Manager, all to the end that involuntary termination of tenancies shall be avoided to the maximum extent, consistent with sound management of the Development. Nevertheless, subject to the procedures prescribed in the Management Plan and the Regulatory Agreement, Property Manager may lawfully terminate any tenancy when, in Property Manager's judgment, sufficient cause for such termination occurs under the terms of the Tenant's Lease, including, but not limited to, nonpayment of rent. For this purpose, Property Manager is authorized to consult with legal counsel to be designated by Owner; to bring actions for eviction; to execute notices to vacate; and to initiate judicial pleadings incident to such actions. Property Manager shall keep Owner informed of such actions and shall follow such instructions as Owner may prescribe for the conduct of any such action. Reasonable attorneys' fees and other necessary costs incurred in connection with such actions shall be paid out of the Development Bank Account as expenses of the Development pursuant to the Operating Budget of the Development.

(b) Property Manager shall consult with and make recommendations to Owner regarding security for the Development and take all steps reasonably necessary to implement at the Development the security program authorized by Owner. Property Manager shall promptly report any suspicious or illegal activities to the appropriate police authority, and shall strictly enforce the terms of the Leases regarding criminal activities by Tenants or their authorized guests.

(c) Property Manager shall use its best efforts to prevent unauthorized persons from being present at the Development. If Tenants fail to control the improper behavior of their guests while on Development property, or if Tenants assist unauthorized persons in remaining on the Development property, Property Manager shall strictly enforce the terms of the Leases of such Tenants.

(d) Property Manager shall fully comply with all applicable federal, state and local laws and regulations concerning termination of Leases and evictions of Tenants receiving the benefits of any Federal rent subsidy program.

16. **Maintenance and Repair.** Property Manager shall cause the Development to be maintained in a decent, safe and sanitary condition and in a rentable and tenantable state of repair, all in accordance with the Management Plan, the budget approved by Authority, the Regulatory Agreement and local laws, codes and ordinances. Property Manager otherwise shall maintain the Development at all times in a condition acceptable to Owner and Authority, including, but not limited to, performance of cleaning, painting, decorating, plumbing, carpentry, grounds care and such other maintenance and repair work as may be necessary. In connection with such maintenance, the following provisions shall apply:

(a) Property Manager shall give special attention to preventive maintenance.

(b) Subject to Owner's prior approval, Property Manager shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems, including, but not limited to, air conditioning systems and elevators, and for the performance of extraordinary repairs beyond the capability of regular maintenance employees. Property Manager shall require each such contractor to be insured in such amounts and with such insurance companies as may be acceptable to Owner. Owner shall be named as an additional insured under all such insurance contracts.

(c) Property Manager shall systematically and promptly receive and investigate all service requests from Tenants, take such action in connection with them, as may be justified, and keep records of such actions. Emergency requests shall be received and serviced on a twenty-four (24) hour basis. Property Manager shall report complaints of a serious nature to Owner after investigation. Owner and Authority shall have the right to receive copies of all service requests and the reports of action taken on them.

(d) Property Manager shall use its best efforts to take such action as may be necessary to comply promptly with any and all orders or requirements of federal, state or local authorities having jurisdiction over the Development, including orders of the Board of Fire Underwriters or other similar bodies. If specifically directed by written notice from Authority, Property Manager shall not take any action under this **Paragraph 16(d)** so long as Owner establishes to the continuing satisfaction of Authority that Owner is contesting, or has affirmed its intention to contest, any such order or requirement and promptly institutes proceedings contesting any such order or requirement. Property Manager shall notify Owner and Authority in writing promptly, and in no event later than seventy-two (72) hours from the time of receipt, of all such orders and notices.

(e) Subject to the provisions of **Paragraph 20** hereof, Property Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance or repair of the Development.

(f) Notwithstanding any of the foregoing provisions, the prior approval of Owner and Authority shall be required for any expenditure that exceeds Ten Thousand and No/100 Dollars (\$10,000.00) in any one instance for labor, materials, or otherwise, in connection with the maintenance and repair of the Development, except for recurring expenses within the limits of the Operating Budget and except for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Development. If any emergency repairs are necessary, Property Manager shall notify Owner and Authority in writing of the fact promptly, and in no event later than seventy-two (72) hours from the occurrence of such event.

17. **Utilities and Services.** In accordance with the Operating Budget, Property Manager shall make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone service. Subject to Owner's prior approval, Property Manager shall enter into such contracts as may be necessary to secure such utilities and services.

18. **Employees.** All personnel physically present at the Development shall be employees of the Property Manager and paid from the Development Bank Account as an expense of the Development. Such employees shall be hired, supervised and discharged exclusively by the Property Manager subject to the following conditions:

(a) Property Manager shall at all times have sufficient personnel physically present at the Development for the full and efficient performance of its duties under this Agreement, including physical presence of responsible persons at such times as may reasonably be requested by Owner.

(b) All hiring of Development employees shall be in accordance with the Operating Budget for the Development, unless otherwise authorized by Authority in writing.

19. **Disbursements from Development Bank Account.**

(a) From the funds collected and held by Property Manager in the Development Bank Account pursuant to **Paragraph 14** above, Property Manager shall, unless otherwise directed by Authority in writing, make the following disbursements from the Development Bank Account promptly when payable and in the following priority: (1) amounts required to be returned to HUD pursuant to the Regulatory Agreement; (2) salaries and any other compensation due and payable to the employees referred to in **Paragraph 18** above, and the withholding taxes, insurance premiums, and Social Security and other payments required in conjunction with the payroll of such employees; (3) rent surcharges to be returned to Authority pursuant to the Regulatory Agreement; (4) the monthly escrow payments for taxes and assessments, fire and other hazard insurance premiums; utilities; interest on the Mortgage, amortization of the principal of the Mortgage, fees, and charges of Authority; establishment and maintenance of the reserve fund for replacements required under the Regulatory Agreement, and other escrow deposits as required by the Regulatory Agreement or Mortgage or as directed by Authority; and (5) other payments due and payable by the Development as operating expenses incurred pursuant to the Operating Budget and in accordance with this Agreement, including Property Manager's compensation.

(b) Except for the disbursements mentioned in **Paragraph 19(a)** above, funds shall be disbursed or transferred from the Development Bank Account only pursuant to the terms of the Regulatory Agreement or upon the prior written approval of Authority, which shall be obtained by Owner.

(c) If the balance in the Development Bank Account is at any time insufficient to pay disbursements due and payable under **Paragraph 19(a)** above, Property Manager shall immediately inform Owner and Authority of such deficiency and Owner shall then remit to Property Manager sufficient funds to cover such deficiency, but only to the extent that funds of the Development are available. If the Owner fails to remit to Property Manager sufficient funds within five (5) days after written notice by Property Manager, Property Manager shall promptly notify Authority in writing. In no event shall Property Manager be required to use its own funds to pay such disbursements.

20. **Operating Budgets.** Property Manager shall prepare a proposed Operating Budget for each Fiscal Year during the term of this Agreement, and shall submit it to Owner and Authority at least ninety (90) days before the beginning of such Fiscal Year. In preparing a proposed Operating Budget, Property Manager shall use its best efforts to take into account the anticipated increases in rents, real estate taxes, utility charges and other operating costs from the previous Fiscal Year. To the extent feasible, Property Manager shall support anticipated increases in real estate taxes and utility charges with written evidence or documentation. The proposed Operating Budget for the Development for each Fiscal Year shall be subject to approval by Owner and Authority. Owner shall promptly inform Property Manager of all changes, if any, incorporated in the Operating Budget, and Property Manager shall make no expenditures in excess of the amounts set forth in the Operating Budget for each category of operation expense itemized without the prior written approval of Owner and Authority, except as permitted pursuant to **Paragraph 16(f)** for emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any services to the Development.

21. **Records and Reports.** In addition to any requirements specified in the Management Plan or other provisions of this Agreement, Property Manager shall have the following responsibilities with respect to records and reports:

(a) Property Manager shall establish and maintain a comprehensive system of records, books and accounts, including computerized systems and otherwise satisfactory to Owner. All records, books and accounts shall be subject to examination and reproduction at reasonable hours by any authorized representative of Owner or Authority.

(b) In accordance with the terms of the Regulatory Agreement, and with respect to each Fiscal Year ending during the term of this Agreement, Property Manager shall cause an annual financial report for the Development, based upon the preparer's examination of the books and records of Owner and the Development, to be prepared by an independent certified public accountant licensed in the State of Illinois selected by Owner and acceptable to Authority. The report shall be prepared in accordance with generally accepted accounting principles and the directives of Authority, shall be certified by the preparer and shall be submitted to Owner for Owner's further certification and submission to Authority within the period provided for in the Regulatory Agreement after the end of the Fiscal Year. Compensation for the preparer's services may be paid out of the Development Bank Account as an expense of the Development.

(c) Property Manager shall prepare a monthly report, in form satisfactory to Authority, containing, among other things, financial statements of income and expense for the Development. Property Manager shall submit each such report to Owner within fifteen calendar (15) days after the end of each month.

(d) Property Manager shall promptly furnish such information (including monthly occupancy reports) in connection with the Development as may be requested from time to time by Owner or Authority.

(e) Property Manager shall prepare, on a monthly basis, the reports and certifications required under the Regulatory Agreement to obtain Section 8 Payments, Section 236 Payments, rent supplement payments or rental assistance payments, as the case may be, and shall submit such reports and certifications to Authority within ten (10) days after the end of the month for which such payments are claimed. Payments received pursuant to this **Paragraph 21(e)** shall be applied in accordance with the terms of the Regulatory Agreement.

(f) By the fifteenth (15th) day of each month, Property Manager shall furnish to Owner an aged, itemized list of all delinquent accounts, including rental accounts, as of the tenth (10th) day of such month, as well as a report on the action Property Manager has taken in connection with such delinquent accounts.

(g) Except as otherwise permitted in writing by Authority, all bookkeeping, data processing services, and management overhead expenses shall be borne by Property Manager out of its funds and shall not be treated as Development expenses.

(h) Property Manager shall prepare, execute and file all forms, reports and returns required by law in connection with the employment of personnel, unemployment insurance, workmen's compensation insurance, disability benefits, Social Security and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

22. **Fidelity Bond.** Property Manager shall furnish and maintain, at the expense of the Development, for the duration of this Agreement and any renewals or extensions of it, plus thirty (30) days after its expiration or termination, a commercial blanket bond (the "Fidelity Bond") in favor of Owner and Authority, jointly or severally, both in an amount determined by Authority in its sole discretion, but not less than two (2) months gross potential rents for the Development plus the aggregate amount of all Tenant security deposits and in a form and with a company or companies acceptable to Authority. The Fidelity Bond shall cover Property Manager and all employees hired by Property Manager in connection with this Agreement. The Fidelity Bond shall cover losses discovered by Owner or Authority for the period of two (2) years after the occurrence of such losses.

23. **Bids, Discounts and Rebates.** Property Manager shall obtain contracts, materials, supplies, utilities and services on the most advantageous terms to the Development, and shall solicit three (3) formal, written bids on all contracts or purchases exceeding Ten Thousand and No/100 Dollars (\$10,000.00) for those items that can be obtained from more than one source. Property Manager shall secure and credit to Owner all discounts, rebates or commissions obtainable with respect to purchases, service contracts and all other transactions on Owner's behalf. Property Manager shall not purchase services or materials from an entity in which Property Manager has an interest unless Owner and Authority approve such purchase in writing.

24. **Social Services Program.** If applicable, Property Manager shall be responsible to Owner for carrying out the social services program, if any, described in the Management Plan.

25. **On-Site Management Facilities.** Owner shall furnish Property Manager with suitable, furnished office space on the site of the Development, including electricity, heat, water, janitorial service, telephone, postage, stationery, office equipment and supplies.

26. **Indemnification.**

(a) Owner agrees to indemnify, defend and hold Property Manager harmless from liability arising out of or in connection with the management of the Development, unless such liability is a result of the negligence or willful misconduct of Property Manager. Property Manager shall be entitled to recover from Owner its costs of litigation and reasonable attorney's fees if Property Manager incurs such costs and fees due to Owner's failure to act in accordance with the terms of this Agreement.

(b) Property Manager shall indemnify, defend and hold Owner harmless from and against any and all claims, causes of action, liabilities, losses or damages that may be asserted against Owner as a result of Property Manager's failure to act in accordance with the terms of this Agreement. Owner shall be entitled to recover from Property Manager its costs of litigation and reasonable attorney's fees if Owner incurs such costs and fees due to Property Manager's failure to act in accordance with the terms of this Agreement.

(c) It is expressly understood and agreed that the provisions contained in Paragraphs 26(a) and 26(b) shall survive the termination of this Agreement to the extent the cause arose prior to such termination.

27. **Insurance.** Property Manager shall cause the insurance coverage required under the Mortgage to be placed and kept in effect at all times with insurance companies approved by Owner and Authority, all in accordance with the terms of the Mortgage. Property Manager and Authority shall be designated as an insured under the comprehensive general liability insurance policy in an amount acceptable to Property Manager, Owner and Authority. Property Manager shall promptly investigate and furnish to Owner and Authority full reports of all accidents, claims and any potential claims known to Property Manager for damages related to the Development and shall cooperate with Owner's insurers in connection with such accidents and claims.

In addition to the insurance coverage required under the Mortgage, Property Manager shall cause insurance coverage requested by Owner or Authority to be kept in effect to protect Property Manager and Owner against any and all claims, liabilities or damages arising from any social programs coordinated by Property Manager either on or off the Development property. Proof of all insurance coverage shall be forwarded to Owner or Authority at the request of either party.

28. **Escrow Payments.** Property Manager shall make from the Development Bank Account monthly escrow payments required under the Mortgage for insurance, tax and such other reserve or escrow accounts for the Development as may be required pursuant to the Mortgage and the Regulatory Agreement. Property Manager promptly shall present tax bills and insurance premium notices to the escrow agent for payment and shall furnish Owner and Authority with evidence of timely payment of such taxes and insurance premiums.

29. **Property Manager's Compensation.**

(a) Property Manager shall be compensated for its services under this Agreement by monthly fees, to be paid out of the Development Bank Account and treated as Development expenses. Such fees shall be payable on the 1 day of each month following the month in which the services were rendered. Each such monthly fee shall be a sum equal to four and eighty percent (4.88%) of (strike inapplicable subparagraph):

eight hundredths

~~(1) **Section 236 Developments:** Gross Collections received during the preceding month (including rent supplement payments, rental assistance payments, commercial rents and fees from concessionaires); or~~

(2) **Section 8 Developments:** Gross Collections received during the preceding month (including all approved payments and/or vacancy loss reimbursement under the HAP Contract, commercial rents and fees from concessionaires).

(b) If Property Manager has an identity of interest with Owner or the general partners of Owner (if Owner is a limited partnership), and if the Development (i) fails to maintain a DCR of at least 1:10 to 1; or (ii) maintains a DCR of at least 1.10 to 1 but fails to expend funds for deferred maintenance deemed necessary by Authority, or for Administrative Expenses, Operating Expenses and/or Maintenance Expenses (all as defined in the Regulatory Agreement) in amounts established in the Operating Budget; Authority may, in its sole discretion, reduce the management fee to a level consistent with the rates of management agents that are satisfactorily managing similar developments in the general vicinity of the Development, as determined by the Authority in its sole discretion, and that do not have an identity of interest with the owners, or the principals of the owners, of such developments.

(c) In addition, if the Development fails (i) to maintain a DCR of at least 1.0 to 1 or the Development is delinquent for more than sixty (60) days in debt service payments on the Loan or Replacement Reserve Payments or (ii) the Development maintains a DCR of at least 1.0 to 1 and is current in its Replacement Reserve Payments but fails to expend funds for deferred maintenance deemed necessary by Authority, or for Administrative Expenses, Operating Expenses and/or Maintenance Expenses in amounts established in the Operating Budget, Authority may, in its sole discretion, further reduce the management fee to a level it deems appropriate.

(d) If the management fee has been reduced pursuant to **subparagraphs 29(b) or 29(c)**, Owner and/or Property Manager may request in writing that the management fee be restored to its previous level if (i) the DCR reaches 1.10 to 1 or 1.0 to 1, as applicable, or (ii) any necessary deferred maintenance has been completed and, if applicable, the appropriate funds have been expended for Administrative Expenses, Operating Expenses and Maintenance Expenses. Authority will evaluate such requests based on its evaluation of (i) the impact of an increase in the management fee on the financial condition of the Development and (ii) the anticipated needs of the Development for capital and operational expenditures.

30. **Term of Management Agreement.** This Agreement shall be in effect for a period of two (2) year(s), commencing on the 1 day of July 2008, and ending on the 30 day of June 2010, subject, to the following conditions:

(a) This Agreement may be terminated upon the mutual written consent of Owner, Property Manager and Authority, or for cause by either Property Manager or Owner.

(b) Property Manager shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Owner and Authority.

(c) Owner shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Property Manager and Authority, provided that Owner has identified another property manager, approved by Authority, for the Development.

(d) If a petition in bankruptcy is filed by or against Owner or Property Manager, or if Owner or Property Manager makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice. The party invoking such termination shall give prompt notice of such action to Authority.

(e) **Property Manager and Owner expressly agree that Authority shall have the right to terminate this Agreement, with or without cause, on ten (10) days advance written notice to Owner and Property Manager;** in the event of such termination by Authority shall have the right, in its sole discretion, to appoint a property manager (the "New Manager") who shall manage the Development on the same terms and conditions as the Property Manager; provided, however, that Authority may determine the compensation to be provided to the New Manager. The term of the New Manager (the "Appointed Term") shall be for a period not to exceed eighteen (18) months. During the Appointed Term, Owner shall not have the right to appoint a new property manager, and the New Manager shall be subject to the direction of Authority, and not Owner. After the expiration of the Appointed Term, the Owner shall have the right to appoint a property manager, subject to the terms and conditions of a management agreement approved by Authority.

In the event of a financial default by Owner [and Trustee] under the Mortgage, the Mortgage Note or the Regulatory Agreement, Authority need not give the aforesaid ten (10) days notice but shall have the right to terminate this Agreement immediately.

(f) Within thirty (30) days after the termination of this Agreement for any reason, Property Manager shall submit to Owner and Authority the financial statements required under **Paragraph 21** hereof to the date of such termination, and after Property Manager and Owner have accounted to each other with respect to all matters outstanding as of the date of termination and Property Owner has fully complied with all terms and conditions of this Agreement, Owner shall furnish Property Manager security, in form and amount reasonably satisfactory to Property Manager, against any obligations or liabilities that Property Manager incurred pursuant to the terms of this Agreement on behalf of Owner.

31. **Rights and Responsibilities Upon Termination.** If this Agreement is terminated for any reason:

(a) No further or additional liability shall attach to Owner, Property Manager or Authority, except for Property Manager's compensation to the date of such termination, and except for such liability as may exist under this Agreement arising out of acts or obligations predating the date of such termination.

(b) Within ten (10) days after this Agreement expires or is terminated, Property Manager shall deliver to Owner all "as built" plans and surveys of the Development in its possession and all books and records concerning the Development.

(c) Within fifteen (15) days after the termination of this Agreement, Property Manager shall close all accounts and pay the balance or assign all certificates of deposit regarding the Development as follows:

- (1) if the termination is by Owner with consent of Authority, to Owner; and
- (2) if the termination is by Authority, to Authority.

32. **Assignments.** This Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Property Manager and their respective successors and assigns; however, Property Manager shall not assign this Agreement, or any of its duties under it, without the prior written consent of Owner and Authority.

33. **Subordination of Agreement.** Owner and Property Manager each acknowledge that this Agreement is subject and subordinate to the Regulatory Agreement, including all exhibits attached to it, and (1) the Agreement to Enter into Housing Assistance Payments Contract and the HAP Contract or (2) the Interest Reduction Contract, as applicable. To the extent this Agreement conflicts with any of the provisions or requirements set forth in the Regulatory Agreement or the exhibits to it, the Regulatory Agreement and exhibits shall prevail and control.

34. **Amendment.** This Agreement constitutes the entire agreement between Owner and Property Manager and no amendment or modification of it shall be valid or enforceable except by supplemental agreement in writing, executed by the parties hereto and approved by Authority.

35. **Remedies**

(a) **Equitable Relief.** Owner or Authority may apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement or for such other relief as may be appropriate, since the injury arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.

(b) **Venue.** Owner and Property Manager agree that if Authority brings an action in connection with this Agreement or is a defendant in an action brought by Owner or Property Manager, venue shall be proper, at the option of Authority, either in the Circuit Court of Cook County, Illinois or in the United States District Court for the Northern District of Illinois, Eastern Division, as the case may be.

(c) **Attorneys' Fees.** In the event of any litigation between Owner and Property Manager arising out of or in connection with this Agreement, including, but not limited to, litigation arising out of or in connection with **Paragraph 26** hereof, the prevailing party shall be entitled to recover from the other party its costs of litigation and reasonable attorneys' fees incurred in connection with such litigation.

(d) **Authority's Costs of Enforcing Agreement.** Owner or Property Manager, as the case may be, shall pay to Authority any and all costs, expenses and reasonable attorneys' fees that Authority may suffer, incur or become liable for by reason of Authority enforcing, or attempting to enforce, the terms and provisions of this Agreement if the Authority prevails in its position.

(e) **Remedies Cumulative.** Authority's and Owner's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of Authority's or Owner's other remedies. Neither Owner nor Authority may waive any breach on behalf of the other party. No waiver by Authority or Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach. The failure or delay of Authority or Owner in exercising any of its rights under this Agreement in any one or more instances, or the exercise of less than all of their rights in any one or more instances, shall not be deemed or construed as a waiver of any such rights.

36. **Successors.** This Agreement shall bind, and the benefits shall inure to, the parties to this Agreement, their legal representatives, successors in office or interest and assigns; however, Property Manager may not assign this Agreement, or any of its obligations under this Agreement, without the prior written approval of Owner and Authority.

37. **Survival.** All representations, warranties and covenants to indemnify shall survive the termination of this Agreement if the basis for the claim or cause of action in connection with such representations, warranties and covenants arose during the term of this Agreement.

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

- (a) Property Manager: Evergreen Real Estate Services, LLC
 Jeffrey Rappin - Chairman

 566 W. Lake Street, #400

 Chicago, IL 60661

- (b) Owner: Peers Housing Association
 c/o Highland Park Housing Commission

 1150 Half Day Road

 Highland Park, IL 60035

- (c) Authority:
 Illinois Housing Development Authority
 401 N. Michigan Avenue, Suite 900
 Chicago, Illinois 60611
 Attn: Director, Asset Management Department

Such addresses may be changed by notice to the other party given in the same manner as provided in this Paragraph 38. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

Except as otherwise specifically required this Agreement, notice of the exercise of any right or option granted to Property Manager by this Agreement is not required to be given.

39. **Authority As Third-Party Beneficiary.** Authority shall be a third-party beneficiary of this Agreement regarding the fulfillment of the duties and obligations imposed upon Owner and Property Manager under this Agreement. Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with this Agreement.

40. **Interpretation of Agreement.**

(a) **Governing Law.** The laws of the State of Illinois, exclusive of its conflict of laws provisions, shall govern the interpretation and enforcement of this Agreement.

(b) **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of this Agreement.

(c) **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application of it to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of it to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such determination and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(d) **Gender.** The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

(e) **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IHDA Loan No. ML- 93
FHA No. _____

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

OWNER: Peers Housing Association
By: *Anthony Licata*
Printed Name: Anthony Licata
Title: Chairman, Peers Housing Association
and Highland Park Housing Commission
FEIN: 36-2949405

PROPERTY MANAGER: Evergreen Real Estate Services, LLC

By: *Jeffrey C. Rappin*
Printed Name: Jeffrey C. Rappin
Title: Chairman
FEIN: 36-4274778

This Agreement and the Property Manager appointed in it are approved as of this _____ day of _____, 2008.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

By: _____
Printed Name: _____
Title: _____

Note: this document will be revised to change name from "Association" to "Associates" and to clarify the relationship between the owner and the Operator, the Walnut Place Assoc. IHDA Loan No. TEB-2263

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the _____ day of May 2014, by and between Highland Park Apartment Association (aka Walnut Place) (the "Owner") and Evergreen Real Estate Services, LLC (the "Property Manager").

RECITALS

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

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

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of 2 year(s), beginning on July 1, 2014 and ending on June 30, 2016, unless terminated earlier as provided in the Management Agreement.
3. **Warranties and Representations.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

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

OWNER: Highland Park Apartment Association

By: _____
Print Name: _____
Title: President
FEIN #: 36-3040122

PROPERTY MANAGER: Evergreen Real Estate Services, LLC

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

This Amendment is approved this _____ day of _____.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

By: _____
Print Name: Tony Hernandez
Title: Director, AMS



**ILLINOIS
HOUSING
DEVELOPMENT
AUTHORITY**

401 N. Michigan Ave.
Chicago, IL 60611

312-836-5200 Main
312-836-5222 TDD

www.ihda.org

JUL 07 2008

Ms. Mary Cele Smith
Highland Park Housing Association #1
City of Highland Park
1150 Half Day Road
Highland Park, IL 60035

RE: Walnut Place, TEB-2263(formerly ML-127)
Management Agreement

Dear Ms. Smith:

The Illinois Housing Development Authority has received and reviewed the Management Agreement Extension for the referenced development. It has been approved for a term of two (2) years commencing July 1, 2008.

Enclosed please find one original signed copy for your files.

Sincerely,

Claudia Cahue
Asset Manager
Asset Management Services

Enclosure

cc: Polly Kuehl, CPM

**MANAGEMENT AGREEMENT
(Section 8/236 - Up and Running)**

THIS MANAGEMENT AGREEMENT (this "Agreement"), made as of the 2nd day of April 2008, by and between Highland Park Apartment Association ("Owner"), an Illinois Partnership, having its principal office at Highland Park, Illinois, and Evergreen Real Estate Services ("Property Manager"), an Illinois limited liability corporation having its principal office at Chicago, Illinois;

WITNESSETH:

WHEREAS, Authority has made the Loan to Owner, not personally but as Trustee (the "Trustee") under a Trust Agreement dated 5/1/94, and known as Trust No. 43816 (the "Trust") for the acquisition, construction and permanent financing of the Development; Trustee is the legal titleholder of the Development and Owner is the sole beneficiary of the Trust; and

WHEREAS, Owner, as a limited or non-profit entity under the Act and a recipient of the benefits of the Loan, is required to comply with the Act, the Regulatory Agreement, all applicable rules and regulations of Authority; and

WHEREAS, Property Manager is experienced in the operation, maintenance, marketing, management and leasing of multifamily housing developments similar to the Development; and

WHEREAS, Owner desires to retain the services of Property Manager for the operation, maintenance, marketing, management and leasing of the Development and Property Manager desires to provide such services.

NOW THEREFORE, in consideration of the mutual agreements contained in this Agreement, Owner and Property Manager agree as follows:

1. **Recitals**. The Recitals set forth above are incorporated in this Agreement by this reference.

2. **Definitions**. As used in the Agreement, the following terms shall have the meanings indicated below:

(a) "Act": the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time.

(b) "Affirmative Fair Housing Marketing Plan": the Affirmative Fair Housing Marketing Plan for the Development, as approved by Authority.

(c) "Authority": the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois created by and existing pursuant to the Act.

(d) "DCR": the debt service coverage ratio for the Development; the DCR is the net operating income of the Development for a fiscal year less Replacement Reserve Payments, divided by the annual debt service on the Loan and any subordinate mortgage loan on the Development. Calculation of the DCR for any calendar year shall be based on the annual audit for the Development required under the Regulatory Agreement, as approved by Authority. No interim audits shall be used.

(e) "Development": the real property legally described on **Exhibit A** attached to this Agreement and made a part of it, commonly known as Walnut Place, located in Highland Park, Illinois; and the improvements, buildings, appurtenances, equipment and personal property located on it. The Development includes 68 Units, _____ parking spaces and 0 square feet of commercial space.

(f) "Development Bank Account": the bank account into which all Development funds, including, but not limited to, rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development, are deposited. The Development Bank Account shall be established in a bank in the State of Illinois whose deposits are insured by the Federal Deposit Insurance Corporation. The funds in the Development Bank Account shall not be commingled with any other funds.

(g) "Fiscal Year": the calendar year unless specifically provided to the contrary in this Agreement.

(h) "Gross Collections": all amounts actually collected by Property Manager as rents or other payments, including, but not limited to, vending machine collections and parking fees, but excluding (1) excess income collected on Section 236 units (if the Development is a Section 236 Development, (2) income derived from interest or investments, (3) discounts and dividends on insurance and (4) security deposits.

(i) "HAP Contract": the Housing Assistance Payments Contract among Authority, Owner and HUD pursuant to which HUD is obligated to make certain rental assistance payments to Authority on behalf of Owner (if the Development is a Section 8 Development).

(j) "HUD": the United States Department of Housing and Urban Development.

(k) "Initial Closing Date": the date the Authority issues its initial closing memorandum in connection with the Loan.

(l) "Initial Rent-up Period": the period from the earlier of eighteen (18) months from the issuance of the Certificate of Occupancy and the date when occupancy of dwelling units in the Development first reaches ninety-five percent (95%).

- (m) "Interest Reduction Contract": the Interest Reduction Contract or Agreement for Interest Reduction Payments among Authority, Owner and HUD pursuant to which HUD is obligated to make certain interest reduction payments to Authority on behalf of Owner (if the Development is a Section 236 development).
- (n) "Lease": the Authority's Model Lease, or such other form of lease as may be approved in writing by Authority.
- (o) "Loan": the mortgage loan made by Authority to Trustee for the acquisition, construction and permanent financing of the Development, evidenced by the Note, secured by the Mortgage and governed by the Regulatory Agreement.
- (p) "Loan Documents": the Note, the Mortgage, the Regulatory Agreement and all other documents evidencing, securing or governing the Loan.
- (q) "Management Plan": the Management Plan for the Development, as approved by Authority, attached to this Agreement as **Exhibit B**; the Management Plan is incorporated in this Agreement by this reference.
- (r) "Marketing Plan": the marketing plan for the Development, as approved by Authority.
- (s) "Mortgage": that certain mortgage, including any amendments to it, on the Development under which Authority is the mortgagee and Trustee is the mortgagor, and which secures the Loan.
- (t) "Note": that certain mortgage note executed by the Trustee evidencing the Loan.
- (u) "Operating Budget": the annual operating budget for the Development, as approved by Authority.
- (v) "Regulatory Agreement": the Regulatory and Land Use Restriction Agreement executed by the Borrower and Authority at the initial closing of the loan, and any amendments to it, executed by and between Owner, Authority and Trustee, governing the Development.
- (w) "Replacement Reserve Payments": The amounts required under the Regulatory Agreement to be deposited annually in the reserve fund for replacements for the Development; and the amounts required to be deposited annually in any other reserve accounts established for the Development.
- (x) "Tenant": an individual or family occupying a Unit pursuant to a Lease.
- (y) "Tenant Selection Plan": the Tenant Selection Plan approved by Authority for the Development, as amended from time to time.

(z) "Unit": a unit in the Development intended for use as a private dwelling.

3. **Expertise of Property Manager.** Property Manager represents and warrants to Owner that it possesses the necessary skills, experience and expertise to properly manage the Development and to comply with the terms and conditions imposed upon it by this Agreement.

4. **Compliance with Laws.** Property Manager represents and warrants to Owner that it is familiar with, and represents that it shall act in compliance with, all applicable federal, state and local laws, ordinances and regulations when managing and maintaining the Development, including, but not limited, to the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973; and represents and warrants that it is familiar with issues involving equal employment opportunity, fair housing, eviction proceedings, security deposits, non-discrimination in connection with disabled persons, utility services and criminal activities that may result in property forfeiture. Property Manager further represents and warrants to Owner that it will keep informed of, and act in compliance with, all applicable new laws, ordinances and regulations that may be enacted during the term of this Agreement as they pertain to the management of the Development.

5. **Appointment of Property Manager.** Subject to Authority's written approval of this Agreement, Owner appoints Property Manager, and Property Manager accepts such appointment, as Owner's exclusive property manager for the management and leasing of the Development, subject to the terms and conditions of this Agreement. In making and performing this Agreement, Property Manager acts and shall at all times act as an agent of Owner.

6. **Regulation of the Development.** Property Manager acknowledges its receipt of the Regulatory Agreement, certifies that it has reviewed it and is thoroughly familiar with all other applicable rules and regulations of Authority and covenants with Owner that it shall undertake and perform all of Owner's management duties and responsibilities in compliance with the Act, the rules and regulations of Authority, the Regulatory Agreement and the other Loan Documents.

Property Manager further acknowledges that one hundred percent (100 %) of the Units may receive the benefit of:

~~(a) mortgage interest reduction payments pursuant to Section 236 of the National Housing Act ("Section 236 Payments"), or~~

(b) housing assistance payments under Section 8 of the United States Housing Act of 1937 ("Section 8 Payments"); or

(c) ~~_____~~
(strike inapplicable subparagraph(s)).

7. **Meetings with Owner and Authority.** Upon the request of Owner, Property Manager agrees to cause a representative of Property Manager to confer with Owner and Authority and to attend meetings with Owner and/or Authority at any reasonable time or times requested by Owner or Authority.

8. **Provision of Information.** As soon as practicable, but not later than final completion of the Development, Owner shall furnish Property Manager with a complete set of "as built" plans and detailed specifications for the Development, as finally approved by Authority, and copies of all guaranties and warranties pertinent to construction, fixtures and equipment of the Development. With the aid of this information and inspection by competent personnel, Property Manager shall thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Development, and especially the electrical, heating, plumbing, air conditioning and ventilating systems, elevators, and all other mechanical equipment in the Development.

9. **Disclosure.** Property Manager shall not disclose to third parties any information pertaining to the Development except when necessary, to carry out Property Managers duties under the terms of this Agreement or in response to written requests from Authority or HUD.

10. **Waiver of Lien Rights.** To the extent permitted by law, and provided that the Loan has not been repaid, Property Manager subordinates any and all lien rights it may be able to assert, during the term of this Agreement or thereafter, on or against the Development arising from the services to be provided under this Agreement to the lien of the Mortgage. Property Manager shall provide whatever documentation may be requested by Owner and Authority to evidence Property Manager's subordination of its lien rights.

11. **Compliance.** Property Manager shall furnish whatever information is requested by Owner or Authority that would be necessary for Owner or Authority to determine whether Property Manager is acting in compliance with the terms and conditions of this Agreement.

12. **Marketing.** After the Initial Rent-up Period, Property Manager, with the marketing agent, if applicable, shall carry out the marketing activities prescribed in the Management Plan, observing all requirements of the Regulatory Agreement, the Marketing Plan approved by Authority and the Affirmative Fair Housing Marketing Plan. Subject to the prior approval of Owner, advertising expenses incurred by Property Manager on behalf of Owner pursuant to the Operating Budget shall be paid out of the Development Bank Account as expenses of the Development.

13. **Rentals.** Property Manager shall offer for rent and shall rent the Units, parking spaces, commercial space (if any) and other rental facilities and concessions in the Development in accordance with the rules and regulations of Owner and Authority, as amended from time to time. Owner authorizes Property Manager to execute, on Owner's behalf, Leases and, if applicable, commercial leases, if applicable, in connection with such rentals. In connection with such rentals, the following provisions shall apply:

(a) Property Manager shall comply with the requirements of the Marketing Plan, the Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan. A copy of the Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan shall at all times be kept at the Development, and shall be made available to any Tenant or prospective Tenant upon request. Property Manager shall cause all rental agents, on-site managers and property supervisors for the Development, and all other employees, to extent applicable, to be familiar with the contents of such Plans.

(b) Property Manager shall show Units to all prospective Tenants.

(c) Property Manager shall take and process applications for rental of Units. If an application is rejected, the applicant shall be promptly advised in writing in the manner provided in the Tenant Selection Plan.

(d) Property Manager shall prepare all Leases, parking permits and other pertinent agreements, and shall execute them in its name as agent for Owner. The terms of all Leases shall comply with the pertinent provisions of the Regulatory Agreement and the directives of Authority. All Leases shall be in a form approved by Authority.

(e) Owner shall, from time to time, furnish Property Manager with rent schedules, which shall show rents for Units and other charges for facilities and services approved by Authority. In no event shall such rents and other charges be exceeded or reduced without the prior written approval of Authority. Tenant eligibility for Units that are rented at less than market rents, and the amount of such lesser rents, shall be determined in accordance with the Regulatory Agreement and/or the directives of Authority submitted to Owner and Property Manager.

(f) Property Manager shall collect, deposit and disburse security deposits, if required, in accordance with all applicable State and local laws and the terms of each of Tenant's Lease. The amount of each security deposit shall be as specified in the Management Plan, or if not so specified, as approved by Authority. Property Manager shall hold security deposits in a trust account, separate from all other accounts and funds, in a bank or other financial institution whose office is in the State of Illinois and whose deposits are insured by an agent of the United States Government, all in accordance with the terms of the Regulatory Agreement. This account shall be controlled and managed by Property Manager and designated of record as "Walnut Place Development Security Deposit Trust Account". Interest on security deposits shall be paid in accordance with all applicable State and local laws.

(g) ~~Property Manager shall maintain a current list of prospective Tenants~~ and undertake all arrangements necessary and incidental to the acceptance or rejection of rental applications and the execution of Leases, all as provided in the Tenant Selection Plan. Property Manager shall exercise its best efforts (including, but not limited to, placement of advertising; assistance in completion of rental applications and execution of Leases; processing of documents and credit and employment verifications; and explanation of the rules of the Development), to effect the leasing of Units, renewal of Leases and, in accordance with the terms of the Lease, subleasing of Units.

(h) If there is commercial space in the development, Property Manager shall negotiate commercial leases and concession agreements, and, subject to prior approval by Owner and Authority of all terms and conditions of such leases and agreements, shall execute them in its name, identified as agent for Owner. Commercial rents for the Development shall not be less than the minimum approved by Owner and Authority.

(i) Property Manager shall perform such other acts as requested by Owner or Authority that are reasonable, necessary and proper in the discharge of Property Manager's duties under this Agreement.

(j) Property Manager shall prorate the first month's rent collected from a Tenant should such Tenant move into a Unit on any day other than the first day of the month. If the Tenant's occupancy of the Unit occurs after the twentieth (20th) day of the month, the prorated amount, plus the next month's rent, shall be collected on or before the first day of occupancy.

(k) Property Manager shall participate in such on-site inspections of the Development as may be required by Authority or Owner, including, but not limited to, (i) participation with each new Tenant in the inspection prior to occupancy of the Unit identified in the Lease with the Tenant and (ii) participation with the Tenant in the inspection of that Unit at least once each year thereafter.

(l) Property Manager shall immediately notify Owner and Authority in writing of all claims in connection with the Development asserted against Property Manager or the Development, or of any lawsuit served upon Property Manager in connection with the Development.

(m) Property Manager shall counsel all prospective Tenants concerning eligibility for Units, and shall be responsible for determining tenant eligibility for federal rent subsidy programs and shall fully comply with all laws and regulations governing eligibility, certification and recertification of Tenants receiving the benefit of such federal rent subsidy programs. Property Manager shall provide, and to the extent possible, verify, income certification and recertification forms for execution by each Tenant.

14. **Collection of Rents and Other Receipts.** Property Manager shall collect when due all rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development. Such receipts (except for Tenants' security deposits, which shall be handled as specified in **Paragraph 13(f)** above) shall be held in the Development Bank Account, in an Illinois domiciled financial institution, separate from all other accounts and funds. The Development Bank Account shall be carried in Property Manager's name and designated of record as "Walnut Place Development Bank Account".

15. **Enforcement of Leases.**

(a) Property Manager shall secure full compliance by each Tenant with the terms of such Tenant's Lease. Voluntary compliance shall be emphasized, and Property Manager shall counsel Tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by Property Manager, all to the end that involuntary termination of tenancies shall be avoided to the maximum extent, consistent with sound management of the Development. Nevertheless, subject to the procedures prescribed in the Management Plan and the Regulatory Agreement, Property Manager may lawfully terminate any tenancy when, in Property Manager's judgment, sufficient cause for such termination occurs under the terms of the Tenant's Lease, including, but not limited to, nonpayment of rent. For this purpose, Property Manager is authorized to consult with legal counsel to be designated by Owner; to bring actions for eviction; to execute notices to vacate; and to initiate judicial pleadings incident to such actions. Property Manager shall keep Owner informed of such actions and shall follow such instructions as Owner may prescribe for the conduct of any such action. Reasonable attorneys' fees and other necessary costs incurred in connection with such actions shall be paid out of the Development Bank Account as expenses of the Development pursuant to the Operating Budget of the Development.

(b) Property Manager shall consult with and make recommendations to Owner regarding security for the Development and take all steps reasonably necessary to implement at the Development the security program authorized by Owner. Property Manager shall promptly report any suspicious or illegal activities to the appropriate police authority, and shall strictly enforce the terms of the Leases regarding criminal activities by Tenants or their authorized guests.

(c) Property Manager shall use its best efforts to prevent unauthorized persons from being present at the Development. If Tenants fail to control the improper behavior of their guests while on Development property, or if Tenants assist unauthorized persons in remaining on the Development property, Property Manager shall strictly enforce the terms of the Leases of such Tenants.

(d) Property Manager shall fully comply with all applicable federal, state and local laws and regulations concerning termination of Leases and evictions of Tenants receiving the benefits of any Federal rent subsidy program.

16. **Maintenance and Repair.** Property Manager shall cause the Development to be maintained in a decent, safe and sanitary condition and in a rentable and tenantable state of repair, all in accordance with the Management Plan, the budget approved by Authority, the Regulatory Agreement and local laws, codes and ordinances. Property Manager otherwise shall maintain the Development at all times in a condition acceptable to Owner and Authority, including, but not limited to, performance of cleaning, painting, decorating, plumbing, carpentry, grounds care and such other maintenance and repair work as may be necessary. In connection with such maintenance, the following provisions shall apply:

(a) Property Manager shall give special attention to preventive maintenance.

(b) Subject to Owner's prior approval, Property Manager shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems, including, but not limited to, air conditioning systems and elevators, and for the performance of extraordinary repairs beyond the capability of regular maintenance employees. Property Manager shall require each such contractor to be insured in such amounts and with such insurance companies as may be acceptable to Owner. Owner shall be named as an additional insured under all such insurance contracts.

(c) Property Manager shall systematically and promptly receive and investigate all service requests from Tenants, take such action in connection with them, as may be justified, and keep records of such actions. Emergency requests shall be received and serviced on a twenty-four (24) hour basis. Property Manager shall report complaints of a serious nature to Owner after investigation. Owner and Authority shall have the right to receive copies of all service requests and the reports of action taken on them.

(d) Property Manager shall use its best efforts to take such action as may be necessary to comply promptly with any and all orders or requirements of federal, state or local authorities having jurisdiction over the Development, including orders of the Board of Fire Underwriters or other similar bodies. If specifically directed by written notice from Authority, Property Manager shall not take any action under this **Paragraph 16(d)** so long as Owner establishes to the continuing satisfaction of Authority that Owner is contesting, or has affirmed its intention to contest, any such order or requirement and promptly institutes proceedings contesting any such order or requirement. Property Manager shall notify Owner and Authority in writing promptly, and in no event later than seventy-two (72) hours from the time of receipt, of all such orders and notices.

(e) Subject to the provisions of **Paragraph 20** hereof, Property Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance or repair of the Development.

(f) Notwithstanding any of the foregoing provisions, the prior approval of Owner and Authority shall be required for any expenditure that exceeds Ten Thousand and No/100 Dollars (\$10,000.00) in any one instance for labor, materials, or otherwise, in connection with the maintenance and repair of the Development, except for recurring expenses within the limits of the Operating Budget and except for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Development. If any emergency repairs are necessary, Property Manager shall notify Owner and Authority in writing of the fact promptly, and in no event later than seventy-two (72) hours from the occurrence of such event.

17. **Utilities and Services.** In accordance with the Operating Budget, Property Manager shall make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone service. Subject to Owner's prior approval, Property Manager shall enter into such contracts as may be necessary to secure such utilities and services.

18. **Employees.** All personnel physically present at the Development shall be employees of the Property Manager and paid from the Development Bank Account as an expense of the Development. Such employees shall be hired, supervised and discharged exclusively by the Property Manager subject to the following conditions:

(a) Property Manager shall at all times have sufficient personnel physically present at the Development for the full and efficient performance of its duties under this Agreement, including physical presence of responsible persons at such times as may reasonably be requested by Owner.

(b) All hiring of Development employees shall be in accordance with the Operating Budget for the Development, unless otherwise authorized by Authority in writing.

19. **Disbursements from Development Bank Account.**

(a) From the funds collected and held by Property Manager in the Development Bank Account pursuant to **Paragraph 14** above, Property Manager shall, unless otherwise directed by Authority in writing, make the following disbursements from the Development Bank Account promptly when payable and in the following priority: (1) amounts required to be returned to HUD pursuant to the Regulatory Agreement; (2) salaries and any other compensation due and payable to the employees referred to in **Paragraph 18** above, and the withholding taxes, insurance premiums, and Social Security and other payments required in conjunction with the payroll of such employees; (3) rent surcharges to be returned to Authority pursuant to the Regulatory Agreement; (4) the monthly escrow payments for taxes and assessments, fire and other hazard insurance premiums; utilities; interest on the Mortgage, amortization of the principal of the Mortgage, fees, and charges of Authority; establishment and maintenance of the reserve fund for replacements required under the Regulatory Agreement, and other escrow deposits as required by the Regulatory Agreement or Mortgage or as directed by Authority; and (5) other payments due and payable by the Development as operating expenses incurred pursuant to the Operating Budget and in accordance with this Agreement, including Property Manager's compensation.

(b) Except for the disbursements mentioned in **Paragraph 19(a)** above, funds shall be disbursed or transferred from the Development Bank Account only pursuant to the terms of the Regulatory Agreement or upon the prior written approval of Authority, which shall be obtained by Owner.

(c) If the balance in the Development Bank Account is at any time insufficient to pay disbursements due and payable under **Paragraph 19(a)** above, Property Manager shall immediately inform Owner and Authority of such deficiency and Owner shall then remit to Property Manager sufficient funds to cover such deficiency, but only to the extent that funds of the Development are available. If the Owner fails to remit to Property Manager sufficient funds within five (5) days after written notice by Property Manager, Property Manager shall promptly notify Authority in writing. In no event shall Property Manager be required to use its own funds to pay such disbursements.

20. **Operating Budgets.** Property Manager shall prepare a proposed Operating Budget for each Fiscal Year during the term of this Agreement, and shall submit it to Owner and Authority at least ninety (90) days before the beginning of such Fiscal Year. In preparing a proposed Operating Budget, Property Manager shall use its best efforts to take into account the anticipated increases in rents, real estate taxes, utility charges and other operating costs from the previous Fiscal Year. To the extent feasible, Property Manager shall support anticipated increases in real estate taxes and utility charges with written evidence or documentation. The proposed Operating Budget for the Development for each Fiscal Year shall be subject to approval by Owner and Authority. Owner shall promptly inform Property Manager of all changes, if any, incorporated in the Operating Budget, and Property Manager shall make no expenditures in excess of the amounts set forth in the Operating Budget for each category of operation expense itemized without the prior written approval of Owner and Authority, except as permitted pursuant to **Paragraph 16(f)** for emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any services to the Development.

21. **Records and Reports.** In addition to any requirements specified in the Management Plan or other provisions of this Agreement, Property Manager shall have the following responsibilities with respect to records and reports:

(a) Property Manager shall establish and maintain a comprehensive system of records, books and accounts, including computerized systems and otherwise satisfactory to Owner. All records, books and accounts shall be subject to examination and reproduction at reasonable hours by any authorized representative of Owner or Authority.

(b) In accordance with the terms of the Regulatory Agreement, and with respect to each Fiscal Year ending during the term of this Agreement, Property Manager shall cause an annual financial report for the Development, based upon the preparer's examination of the books and records of Owner and the Development, to be prepared by an independent certified public accountant licensed in the State of Illinois selected by Owner and acceptable to Authority. The report shall be prepared in accordance with generally accepted accounting principles and the directives of Authority, shall be certified by the preparer and shall be submitted to Owner for Owner's further certification and submission to Authority within the period provided for in the Regulatory Agreement after the end of the Fiscal Year. Compensation for the preparer's services may be paid out of the Development Bank Account as an expense of the Development.

(c) Property Manager shall prepare a monthly report, in form satisfactory to Authority, containing, among other things, financial statements of income and expense for the Development. Property Manager shall submit each such report to Owner within fifteen calendar (15) days after the end of each month.

(d) Property Manager shall promptly furnish such information (including monthly occupancy reports) in connection with the Development as may be requested from time to time by Owner or Authority.

(e) Property Manager shall prepare, on a monthly basis, the reports and certifications required under the Regulatory Agreement to obtain Section 8 Payments, Section 236 Payments, rent supplement payments or rental assistance payments, as the case may be, and shall submit such reports and certifications to Authority within ten (10) days after the end of the month for which such payments are claimed. Payments received pursuant to this Paragraph 21(e) shall be applied in accordance with the terms of the Regulatory Agreement.

(f) By the fifteenth (15th) day of each month, Property Manager shall furnish to Owner an aged, itemized list of all delinquent accounts, including rental accounts, as of the tenth (10th) day of such month, as well as a report on the action Property Manager has taken in connection with such delinquent accounts.

(g) Except as otherwise permitted in writing by Authority, all bookkeeping, data processing services, and management overhead expenses shall be borne by Property Manager out of its funds and shall not be treated as Development expenses.

(h) Property Manager shall prepare, execute and file all forms, reports and returns required by law in connection with the employment of personnel, unemployment insurance, workmen's compensation insurance, disability benefits, Social Security and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

22. **Fidelity Bond.** Property Manager shall furnish and maintain, at the expense of the Development, for the duration of this Agreement and any renewals or extensions of it, plus thirty (30) days after its expiration or termination, a commercial blanket bond (the "Fidelity Bond") in favor of Owner and Authority, jointly or severally, both in an amount determined by Authority in its sole discretion, but not less than two (2) months gross potential rents for the Development plus the aggregate amount of all Tenant security deposits and in a form and with a company or companies acceptable to Authority. The Fidelity Bond shall cover Property Manager and all employees hired by Property Manager in connection with this Agreement. The Fidelity Bond shall cover losses discovered by Owner or Authority for the period of two (2) years after the occurrence of such losses.

23. **Bids, Discounts and Rebates.** Property Manager shall obtain contracts, materials, supplies, utilities and services on the most advantageous terms to the Development, and shall solicit three (3) formal, written bids on all contracts or purchases exceeding Ten Thousand and No/100 Dollars (\$10,000.00) for those items that can be obtained from more than one source. Property Manager shall secure and credit to Owner all discounts, rebates or commissions obtainable with respect to purchases, service contracts and all other transactions on Owner's behalf. Property Manager shall not purchase services or materials from an entity in which Property Manager has an interest unless Owner and Authority approve such purchase in writing.

24. **Social Services Program.** If applicable, Property Manager shall be responsible to Owner for carrying out the social services program, if any, described in the Management Plan.

25. **On-Site Management Facilities.** Owner shall furnish Property Manager with suitable, furnished office space on the site of the Development, including electricity, heat, water, janitorial service, telephone, postage, stationery, office equipment and supplies.

26. **Indemnification.**

(a) Owner agrees to indemnify, defend and hold Property Manager harmless from liability arising out of or in connection with the management of the Development, unless such liability is a result of the negligence or willful misconduct of Property Manager. Property Manager shall be entitled to recover from Owner its costs of litigation and reasonable attorney's fees if Property Manager incurs such costs and fees due to Owner's failure to act in accordance with the terms of this Agreement.

(b) Property Manager shall indemnify, defend and hold Owner harmless from and against any and all claims, causes of action, liabilities, losses or damages that may be asserted against Owner as a result of Property Manager's failure to act in accordance with the terms of this Agreement. Owner shall be entitled to recover from Property Manager its costs of litigation and reasonable attorney's fees if Owner incurs such costs and fees due to Property Manager's failure to act in accordance with the terms of this Agreement.

(c) It is expressly understood and agreed that the provisions contained in **Paragraphs 26(a) and 26(b)** shall survive the termination of this Agreement to the extent the cause arose prior to such termination.

27. **Insurance.** Property Manager shall cause the insurance coverage required under the Mortgage to be placed and kept in effect at all times with insurance companies approved by Owner and Authority, all in accordance with the terms of the Mortgage. Property Manager and Authority shall be designated as an insured under the comprehensive general liability insurance policy in an amount acceptable to Property Manager, Owner and Authority. Property Manager shall promptly investigate and furnish to Owner and Authority full reports of all accidents, claims and any potential claims known to Property Manager for damages related to the Development and shall cooperate with Owner's insurers in connection with such accidents and claims.

In addition to the insurance coverage required under the Mortgage, Property Manager shall cause insurance coverage requested by Owner or Authority to be kept in effect to protect Property Manager and Owner against any and all claims, liabilities or damages arising from any social programs coordinated by Property Manager either on or off the Development property. Proof of all insurance coverage shall be forwarded to Owner or Authority at the request of either party.

28. **Escrow Payments.** Property Manager shall make from the Development Bank Account monthly escrow payments required under the Mortgage for insurance, tax and such other reserve or escrow accounts for the Development as may be required pursuant to the Mortgage and the Regulatory Agreement. Property Manager promptly shall present tax bills and insurance premium notices to the escrow agent for payment and shall furnish Owner and Authority with evidence of timely payment of such taxes and insurance premiums.

29. **Property Manager's Compensation.**

(a) Property Manager shall be compensated for its services under this Agreement by monthly fees, to be paid out of the Development Bank Account and treated as Development expenses. Such fees shall be payable on the 1 day of each month following the month in which the services were rendered. Each such monthly fee shall be a sum equal to four and one half percent (4.5%) of (strike inapplicable subparagraph):

~~(1) **Section 236 Developments:** Gross Collections received during the preceding month (including rent supplement payments, rental assistance payments, commercial rents and fees from concessionaires); or~~

(2) **Section 8 Developments:** Gross Collections received during the preceding month (including all approved payments and/or vacancy loss reimbursement under the HAP Contract, commercial rents and fees from concessionaires).

(b) If Property Manager has an identity of interest with Owner or the general partners of Owner (if Owner is a limited partnership), and if the Development (i) fails to maintain a DCR of at least 1:10 to 1; or (ii) maintains a DCR of at least 1.10 to 1 but fails to expend funds for deferred maintenance deemed necessary by Authority, or for Administrative Expenses, Operating Expenses and/or Maintenance Expenses (all as defined in the Regulatory Agreement) in amounts established in the Operating Budget; Authority may, in its sole discretion, reduce the management fee to a level consistent with the rates of management agents that are satisfactorily managing similar developments in the general vicinity of the Development, as determined by the Authority in its sole discretion, and that do not have an identity of interest with the owners, or the principals of the owners, of such developments.

(c) In addition, if the Development fails (i) to maintain a DCR of at least 1.0 to 1 or the Development is delinquent for more than sixty (60) days in debt service payments on the Loan or Replacement Reserve Payments or (ii) the Development maintains a DCR of at least 1.0 to 1 and is current in its Replacement Reserve Payments but fails to expend funds for deferred maintenance deemed necessary by Authority, or for Administrative Expenses, Operating Expenses and/or Maintenance Expenses in amounts established in the Operating Budget, Authority may, in its sole discretion, further reduce the management fee to a level it deems appropriate.

(d) If the management fee has been reduced pursuant to **subparagraphs 29(b) or 29(c)**, Owner and/or Property Manager may request in writing that the management fee be restored to its previous level if (i) the DCR reaches 1.10 to 1 or 1.0 to 1, as applicable, or (ii) any necessary deferred maintenance has been completed and, if applicable, the appropriate funds have been expended for Administrative Expenses, Operating Expenses and Maintenance Expenses. Authority will evaluate such requests based on its evaluation of (i) the impact of an increase in the management fee on the financial condition of the Development and (ii) the anticipated needs of the Development for capital and operational expenditures.

30. **Term of Management Agreement.** This Agreement shall be in effect for a period of two (2) year(s), commencing on the 1 day of July 2008, and ending on the 30 day of June 2010, subject, to the following conditions:

(a) This Agreement may be terminated upon the mutual written consent of Owner, Property Manager and Authority, or for cause by either Property Manager or Owner.

(b) Property Manager shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Owner and Authority.

(c) Owner shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Property Manager and Authority, provided that Owner has identified another property manager, approved by Authority, for the Development.

(d) If a petition in bankruptcy is filed by or against Owner or Property Manager, or if Owner or Property Manager makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice. The party invoking such termination shall give prompt notice of such action to Authority.

(e) **Property Manager and Owner expressly agree that Authority shall have the right to terminate this Agreement, with or without cause, on ten (10) days advance written notice to Owner and Property Manager;** in the event of such termination by Authority shall have the right, in its sole discretion, to appoint a property manager (the "New Manager") who shall manage the Development on the same terms and conditions as the Property Manager; provided, however, that Authority may determine the compensation to be provided to the New Manager. The term of the New Manager (the "Appointed Term") shall be for a period not to exceed eighteen (18) months. During the Appointed Term, Owner shall not have the right to appoint a new property manager, and the New Manager shall be subject to the direction of Authority, and not Owner. After the expiration of the Appointed Term, the Owner shall have the right to appoint a property manager, subject to the terms and conditions of a management agreement approved by Authority.

In the event of a financial default by Owner [and Trustee] under the Mortgage, the Mortgage Note or the Regulatory Agreement, Authority need not give the aforesaid ten (10) days notice but shall have the right to terminate this Agreement immediately.

(f) Within thirty (30) days after the termination of this Agreement for any reason, Property Manager shall submit to Owner and Authority the financial statements required under **Paragraph 21** hereof to the date of such termination, and after Property Manager and Owner have accounted to each other with respect to all matters outstanding as of the date of termination and Property Owner has fully complied with all terms and conditions of this Agreement, Owner shall furnish Property Manager security, in form and amount reasonably satisfactory to Property Manager, against any obligations or liabilities that Property Manager incurred pursuant to the terms of this Agreement on behalf of Owner.

31. **Rights and Responsibilities Upon Termination.** If this Agreement is terminated for any reason:

(a) No further or additional liability shall attach to Owner, Property Manager or Authority, except for Property Manager's compensation to the date of such termination, and except for such liability as may exist under this Agreement arising out of acts or obligations predating the date of such termination.

(b) Within ten (10) days after this Agreement expires or is terminated, Property Manager shall deliver to Owner all "as built" plans and surveys of the Development in its possession and all books and records concerning the Development.

(c) Within fifteen (15) days after the termination of this Agreement, Property Manager shall close all accounts and pay the balance or assign all certificates of deposit regarding the Development as follows:

- (1) if the termination is by Owner with consent of Authority, to Owner; and
- (2) if the termination is by Authority, to Authority.

32. **Assignments.** This Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Property Manager and their respective successors and assigns; however, Property Manager shall not assign this Agreement, or any of its duties under it, without the prior written consent of Owner and Authority.

33. **Subordination of Agreement.** Owner and Property Manager each acknowledge that this Agreement is subject and subordinate to the Regulatory Agreement, including all exhibits attached to it, and (1) the Agreement to Enter into Housing Assistance Payments Contract and the HAP Contract or (2) the Interest Reduction Contract, as applicable. To the extent this Agreement conflicts with any of the provisions or requirements set forth in the Regulatory Agreement or the exhibits to it, the Regulatory Agreement and exhibits shall prevail and control.

34. **Amendment.** This Agreement constitutes the entire agreement between Owner and Property Manager and no amendment or modification of it shall be valid or enforceable except by supplemental agreement in writing, executed by the parties hereto and approved by Authority.

35. **Remedies**

(a) **Equitable Relief.** Owner or Authority may apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement or for such other relief as may be appropriate, since the injury arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.

(b) **Venue.** Owner and Property Manager agree that if Authority brings an action in connection with this Agreement or is a defendant in an action brought by Owner or Property Manager, venue shall be proper, at the option of Authority, either in the Circuit Court of Cook County, Illinois or in the United States District Court for the Northern District of Illinois, Eastern Division, as the case may be.

(c) **Attorneys' Fees.** In the event of any litigation between Owner and Property Manager arising out of or in connection with this Agreement, including, but not limited to, litigation arising out of or in connection with **Paragraph 26** hereof, the prevailing party shall be entitled to recover from the other party its costs of litigation and reasonable attorneys' fees incurred in connection with such litigation.

(d) **Authority's Costs of Enforcing Agreement.** Owner or Property Manager, as the case may be, shall pay to Authority any and all costs, expenses and reasonable attorneys' fees that Authority may suffer, incur or become liable for by reason of Authority enforcing, or attempting to enforce, the terms and provisions of this Agreement if the Authority prevails in its position.

(e) **Remedies Cumulative.** Authority's and Owner's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of Authority's or Owner's other remedies. Neither Owner nor Authority may waive any breach on behalf of the other party. No waiver by Authority or Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach. The failure or delay of Authority or Owner in exercising any of its rights under this Agreement in any one or more instances, or the exercise of less than all of their rights in any one or more instances, shall not be deemed or construed as a waiver of any such rights.

36. **Successors.** This Agreement shall bind, and the benefits shall inure to, the parties to this Agreement, their legal representatives, successors in office or interest and assigns; however, Property Manager may not assign this Agreement, or any of its obligations under this Agreement, without the prior written approval of Owner and Authority.

37. **Survival.** All representations, warranties and covenants to indemnify shall survive the termination of this Agreement if the basis for the claim or cause of action in connection with such representations, warranties and covenants arose during the term of this Agreement.

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

- (a) Property Manager: Evergreen Real Estate Services, LLC
 Jeffrey Rappin - Chairman

 566 W. Lake Street, #400

 Chicago, IL 60661

- (b) Owner: Highland Park Apartment Association
 c/o Housing Commission

 1150 Half Day Road

 Highland Park, IL 60035

- (c) Authority:
 Illinois Housing Development Authority
 401 N. Michigan Avenue, Suite 900
 Chicago, Illinois 60611
 Attn: Director, Asset Management Department

Such addresses may be changed by notice to the other party given in the same manner as provided in this **Paragraph 38**. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

Except as otherwise specifically required this Agreement, notice of the exercise of any right or option granted to Property Manager by this Agreement is not required to be given.

39. **Authority As Third-Party Beneficiary.** Authority shall be a third-party beneficiary of this Agreement regarding the fulfillment of the duties and obligations imposed upon Owner and Property Manager under this Agreement. Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with this Agreement.

40. **Interpretation of Agreement.**

(a) **Governing Law.** The laws of the State of Illinois, exclusive of its conflict of laws provisions, shall govern the interpretation and enforcement of this Agreement.

(b) **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of this Agreement.

(c) **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application of it to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of it to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such determination and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(d) **Gender.** The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

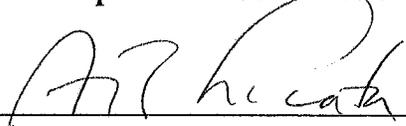
(e) **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IHDA Loan No. ML- 127
FHA No. _____

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

Association **OWNER: Highland Park Apartment Association**

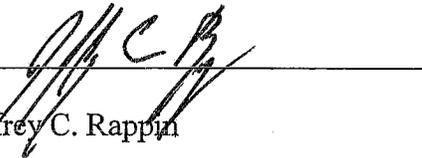
By: 

Printed Name: Anthony Licata

Title: Chairman, Highland Park Apartment Association and Highland Park

FEIN: 36-3040122 Housing Commission

PROPERTY MANAGER: Evergreen Real Estate Services, LLC

By: 

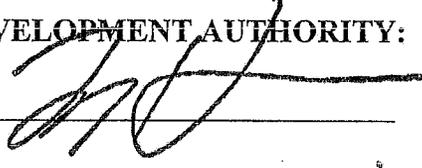
Printed Name: Jeffrey C. Rappin

Title: Chairman

FEIN: 36-4274778

This Agreement and the Property Manager appointed in it are approved as of this 1st day of July, 2008.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

By: 

Printed Name: Tony Hernandez

Title: Director, Asset Management Services

HOUSING MANAGEMENT AGREEMENT

This Agreement is made this ___th day of May, 2014, between Ravinia Housing (the "Owner") and Evergreen Real Estate Services, L.L.C. (the "Agent").

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

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

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

Incident thereto, the following provision will apply:

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

the Owner after investigation.

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

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

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

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

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

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

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

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

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

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

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

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

Nevertheless, the Agent shall take no such action as long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within 72 hours from the time of their receipt.

24. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed, handicap or national origin, including Title VI or the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.
25. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Facility expenses. Management Fees will be computed and paid according to HUD requirements. Such fees will be payable on the 1st day of each month beginning with the first day of the first month of the term of this Agreement.
 - a. Each such monthly fee will be in an amount equal to 3.8% of gross rents during the preceding month. In addition, Agent will charge 3.8% of gross collections from other sources such as coin-operated laundry equipment and vending.
 - b. The following categories of expenses shall be covered by the fee, and shall not be reimbursable by the Owner: All off-site bookkeeping, clerical and other management overhead expenses (including but not limited to cost of office supplies and equipment, data processing services, postage, transportation, managerial and non-managerial personnel and telephone service) of the Agent, other than the fee for services of the Certified Public Accountant retained to prepare the annual financial report.
26. Term of Agreement. This Agreement shall be in effect until HUD, AGENT or OWNER terminates from the 1st day of July, 2014 through June 30, 2016, subject, however, to the following conditions:

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

27. Interpretative Provisions.

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

28. Indemnification.

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

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

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

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

31. Principal Parties: (a) Agent:

Evergreen Real Estate Services, LLC
566 West Lake Street, Suite 400
Chicago, IL 60661-1414

(b) Owner:

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

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

32. Controlling Provisions.

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

b) In the event of a conflict between this Agreement and the Management Plan, the provisions of this Agreement will govern and control.

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

OWNER: Ravinia Housing

By: _____
President

Witness: _____

AGENT: Evergreen Real Estate Services, LLC

By: Stephen Rappin
Stephen Rappin, President

Witness: [Signature]

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

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

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

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

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

Project name Ravinia Housing	FHA project number 071-35843	Date (mm/dd/yyyy) 05/30/2014
City, State Highland Park, IL	Section 8 number IL06-0051003	

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

1. We certify that:
 - a. We will comply with HUD requirements and contract obligations, and agree that no payments have been made to the owner in return for awarding the management contract to the agent, and that such payments will not be made in the future.
 - b. We have executed or will execute, within 30 days after receiving the approval(s) required by paragraph b below, a Management Agreement for this project. The Agreement provides / will provide that the Management Agent will manage the project for the term and fee described below. Changes in the fee will be implemented only in accordance with HUD's requirements
 - (1) Terms of Agreement:
 - (a) From: July 1, 2014
 - (b) To: June 30, 2016
 - (c) Self Renew: Yes No
 - (2) Fees:
 - (a) 3.8 % of residential income collected;
 - (b) N/A % of commercial income collected;
 - (c) 3.8 % of miscellaneous income collected
(This percentage must not exceed the percentage in (2)(a) above).
 - (d) Special Fees No Yes If yes, describe in paragraph 4 of Attachment 1.
 - (3) Calculation of Estimated Yield (See Attachment 1.)
 - c. We will disburse management fees from project income only after:
 - (1) We have submitted this Certification to HUD;
 - (2) HUD has approved the Agent to manage this project; and
 - (3) HUD has approved the management fee (if required).
 - d. We understand that no fees may be earned or paid after HUD has terminated the Management Agreement.
 - e. If HUD notifies me of an excessive management fee, I, the Agent, will within 30 days of HUD's notice either:
 - (1) Reduce the compensation to an amount HUD determines to be reasonable and
 - (2) Require the administrator to refund to the project all excessive fees collected, or
 - (3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.
 - f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,
 - (1) We understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.
 - (2) We agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to our request.
2. We will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.
3. We agree to:
 - a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any Subsidy Contract or Workout / Modification Agreement.
 - b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.
 - c. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.
 - d. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.
4. The Agent agrees to:
 - a. Ensure that all expenses of the project are reasonable and necessary.
 - b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
 - c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.
 - d. Credit the project with all discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received.
 - e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.
 - f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.
 - g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds unless the owner specifically directs the Agent not to invest those other funds.
5. We certify that the types of insurance policies checked below are in force and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.
 - a. Fidelity bond or employee dishonesty coverage for
 - (1) all principals of the Agent and;
 - (2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records.
Coverage will be at least equal to the project's gross potential income for two (2) months.
 - b. Hazard insurance coverage in an amount required by the project's Mortgage.
 - c. Public liability coverage with the Agent designated as one of the insured.
6. The Agent agrees to:
 - a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
 - b. Establish and maintain the project's accounts, books and records in accordance with:
 - (1) HUD's administrative requirements;
 - (2) generally accepted accounting principles; and
 - (3) in a condition that will facilitate audit.
7. We agree that:
 - a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
 - b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect:

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

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

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

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

- a. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed the owner a written notice of its desire to terminate the Management Agreement.
- b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately upon HUD's issuance of a notice of termination to the Owner and Agent.
- c. If HUD exercises this right of termination, I, the Owner, agree to promptly make arrangements for providing management that is satisfactory to HUD.
- d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.
- e. If the Management Agreement is terminated I, the Agent, will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.

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

- a. Authorizing the agent to collect a fee different from the percentages fees and any special fees specified in Paragraph 1 of this Certification:
- b. Changing the expiration date of the Management Agreement.
- c. Renewing the Management Agreement.
- d. Permitting a new Agent to operate the project.
- e. Permitting a new Agent to collect a fee.
- f. Undertaking self-management of the project.

11. We agree to:

- a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
- b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.
- c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
- d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
- e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).
- f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.
- g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.
- h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968

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

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

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

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

- a. that the Management Entity Profile, dated (mm/dd/yyyy) 11/18/2013 is accurate and current as of the date of this Certification.
- b. To submit an updated profile whenever there is a significant change in the organization or operations of the Management Entity.

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

Warnings:

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

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

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

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

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

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

By Project Owner: Name Ravinia Housing

President

title

signature

date (mm/dd/yyyy)

By Management Agent: Name Evergreen Real Estate Serv

President - Stephen Rappin

title

signature

02/05/2014

date (mm/dd/yyyy)

Project Name Ravinia Housing	FHA Project Number 071-35843	Date (mm/dd/yyyy) 05/30/2014
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HUD Field Office Use Only (Check all boxes that apply)

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

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

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

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

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

Attachment 1—Calculation of Estimated Yields from Proposed Management Fees

Project Name: Ravinia Housing	FHA Project No.: 071-35843	Date: 05/30/2014
---	--------------------------------------	----------------------------

1. Residential Fee		2. Commercial Fee (Describe commercial space, how it is used and what services management provides.) N/A
a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule)	\$ 21,974.00	
b. Line 1a times 0.95 *	\$ 20,875.30	
c. Percentage fee	3.80 %	
d. Monthly residential fee yield (Line 1b times 1c)	\$ 793.26	
e. Total number of residential units (include rent-free units.)	17 units	
f. Residential fee yield per unit per month (Line 1d divided by 1e.)	\$ 46.66 PUPM	

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

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

3. Miscellaneous Fee		
a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)		3.80 %
b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will not be paid.		

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

4. Special Fees

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

Not applicable

The Confidence Satisfaction Survey Report consists of several sections:

Your Confidence Satisfaction Survey Report includes the key findings from your survey: benchmarking overall experiences; benchmarking overall satisfaction with your community; top-tiers analyses of overall indicators for each survey domain; percentile rankings of top-tier responses for overall indicators; the Resident Loyalty Index; and a demographic profile of your residents.

Items that measure specific information about a dimension (such as environment, quality of life, management, or staff) are grouped together and graphics provide helpful visual aids to benchmark your current overall results against those of other communities participating in this Confidence Satisfaction Survey.

Confidence Survey results also focus on the impact of your programs and services on important outcomes, including quality of life, wellness, and self-reported health. Your results are also benchmarked against those of other communities participating in this Confidence Satisfaction Survey.

Your community's response summary below displays the total number of surveys returned compared to the total number of surveys ordered. A response rate of at least 60% is recommended in order to consider results representative of your community.

	Your Community Response Totals	
	Your Community	All Others
Responses	54	3,491
Surveys Ordered	68	N/A
Response Rate	79.41%	N/A

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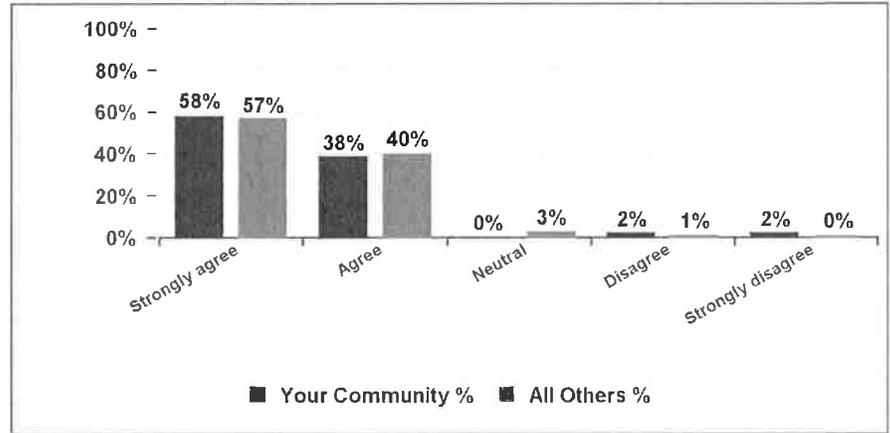
1. Overall Experiences in Your Community

The Confidence Satisfaction Survey examines respondents' overall experiences in your community according to four measures: overall experiences with services, willingness to recommend your community to others, reputation of your community, and perceived value of your services.

The following charts summarize your results on these measures benchmarked against those other communities participating in this Confidence Satisfaction Survey.

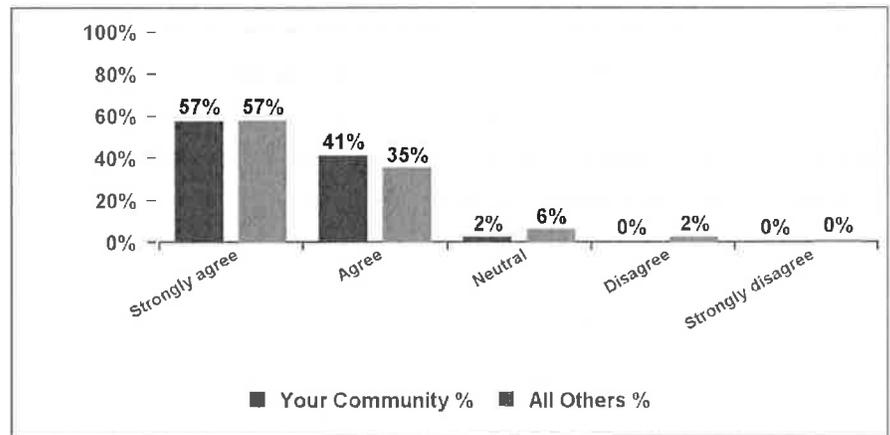
Overall, good services are provided to me here.

Response	Your Community		All Others	
	Count	%	Count	%
Strongly agree	30	57.69%	1,868	56.64%
Agree	20	38.46%	1,308	39.66%
Neutral		0.00%	84	2.55%
Disagree	1	1.92%	25	0.76%
Strongly disagree	1	1.92%	13	0.39%
Uncounted	1		193	
Total	53		3,491	



I would recommend my community to others as a good place to live.

Response	Your Community		All Others	
	Count	%	Count	%
Strongly agree	28	57.14%	1,875	57.18%
Agree	20	40.82%	1,143	34.86%
Neutral	1	2.04%	186	5.67%
Disagree		0.00%	60	1.83%
Strongly disagree		0.00%	15	0.46%
Uncounted	4		212	
Total	53		3,491	

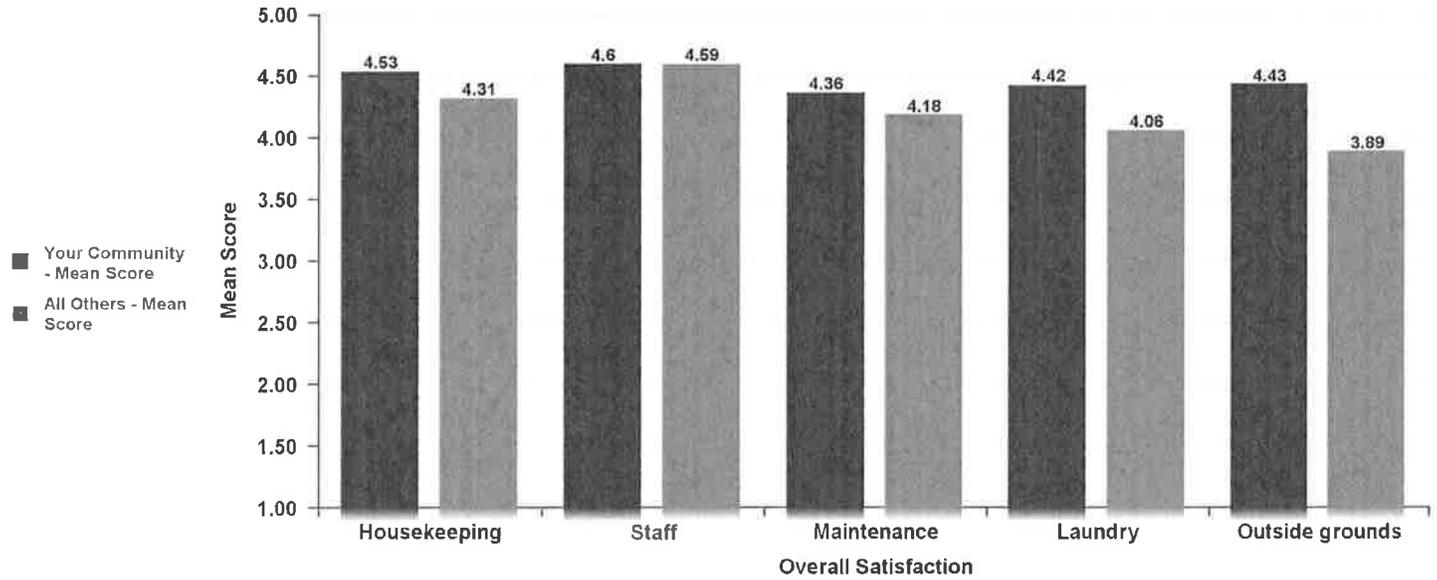


What residents say about their overall experience

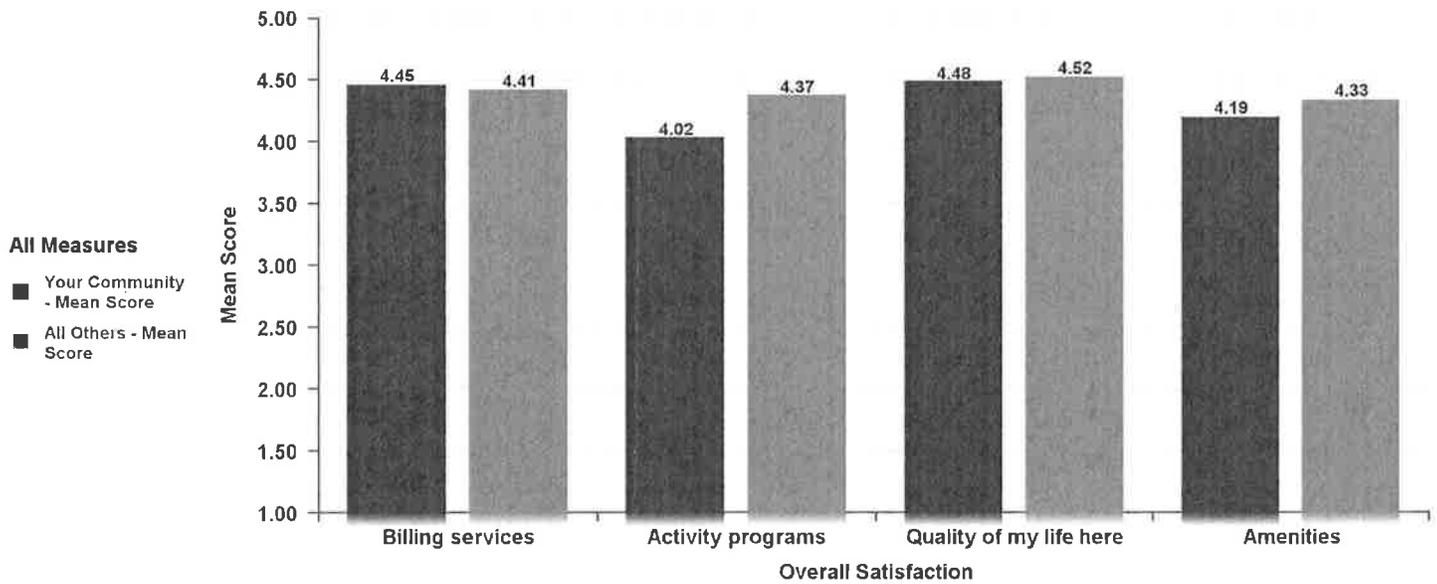
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I feel that my community has a high quality reputation compared to others.					
Your Community %	32.65%	53.06%	14.29%	0.00%	0.00%
All Others %	51.83%	37.51%	9.19%	1.18%	0.29%
The services I receive provide good value for fees I pay.					
Your Community %	48.94%	48.94%	0.00%	2.13%	0.00%
All Others %	37.90%	46.60%	12.06%	3.01%	0.43%

2. Benchmarking Overall Satisfaction

The following charts benchmark your community's mean satisfaction scores against those of all other communities participating in this Confidence Satisfaction Survey.



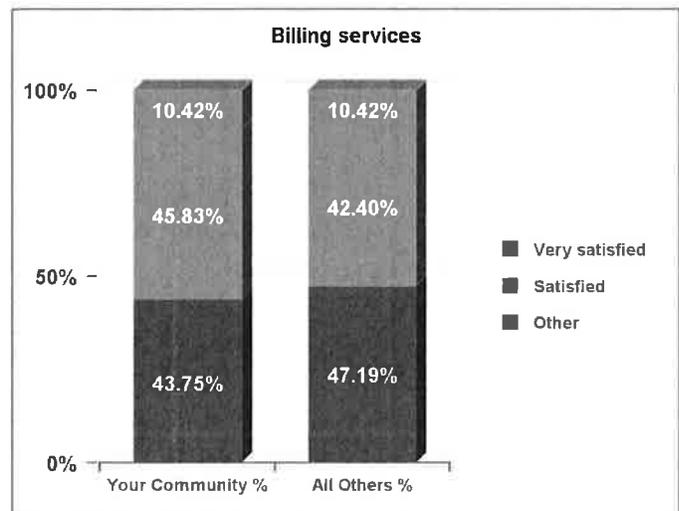
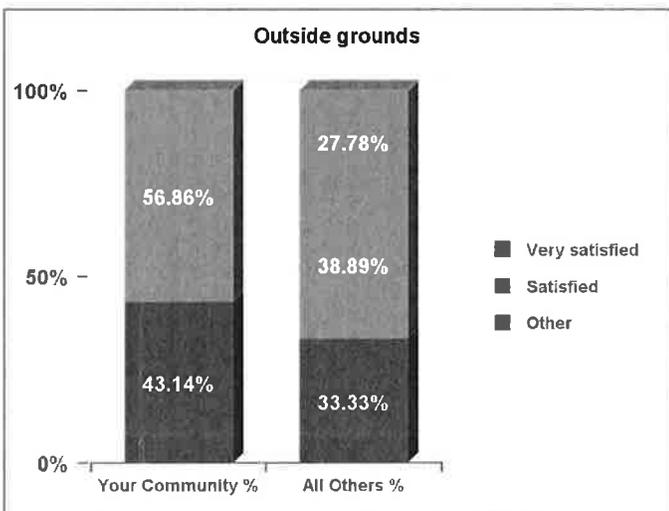
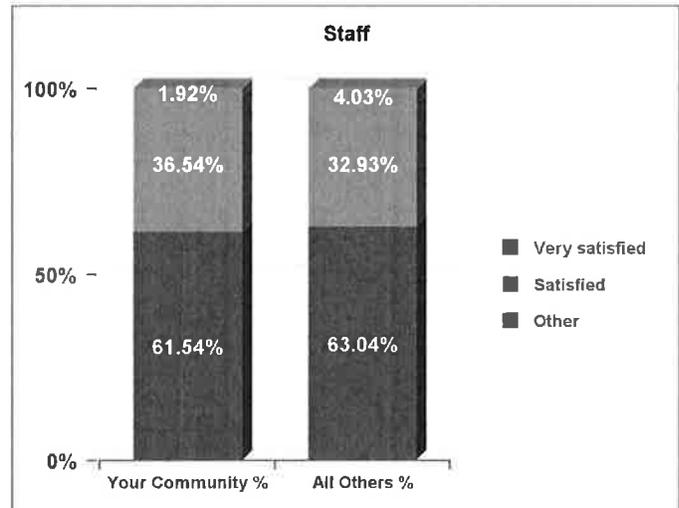
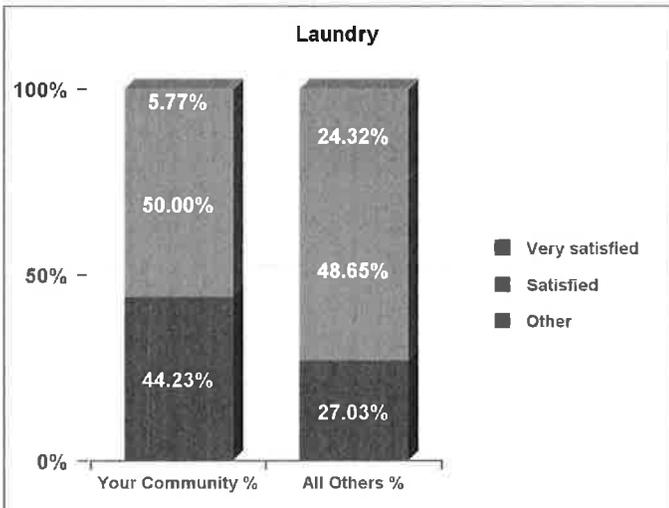
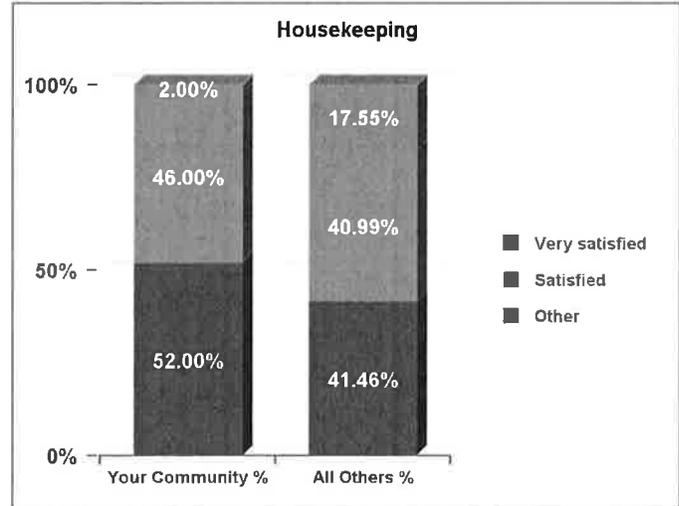
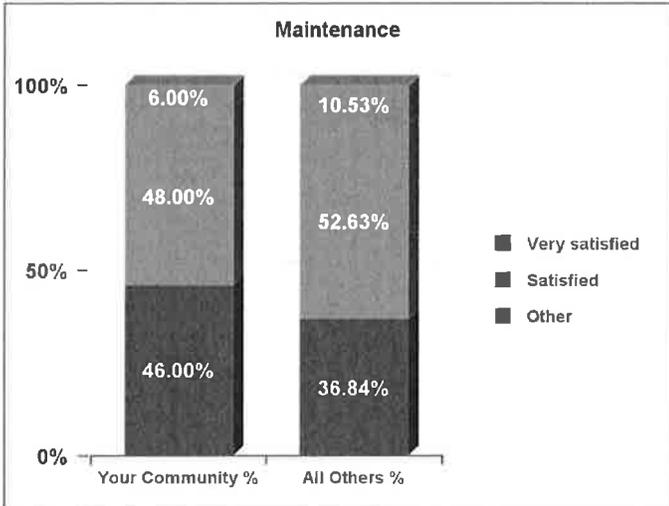
	Housekeeping	Staff	Maintenance	Laundry	Outside grounds
Your Community - Mean Score	4.53	4.60	4.36	4.42	4.43
All Others - Mean Score	4.31	4.59	4.18	4.06	3.89

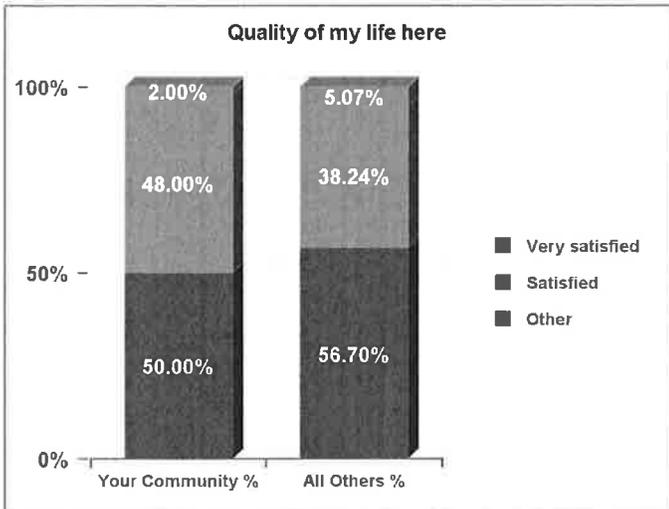
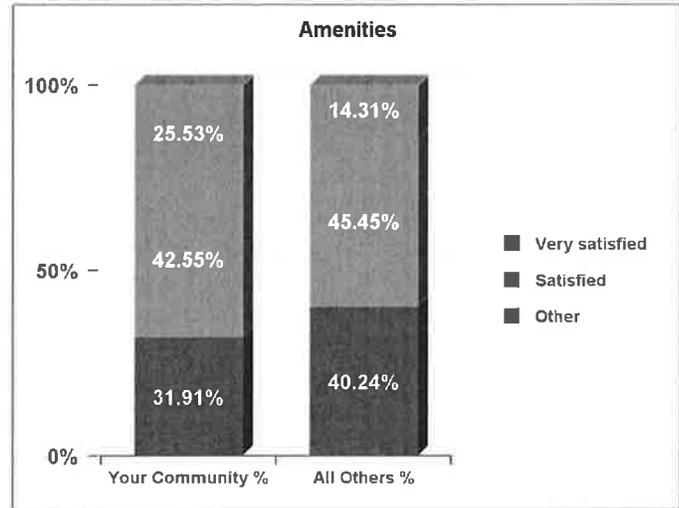
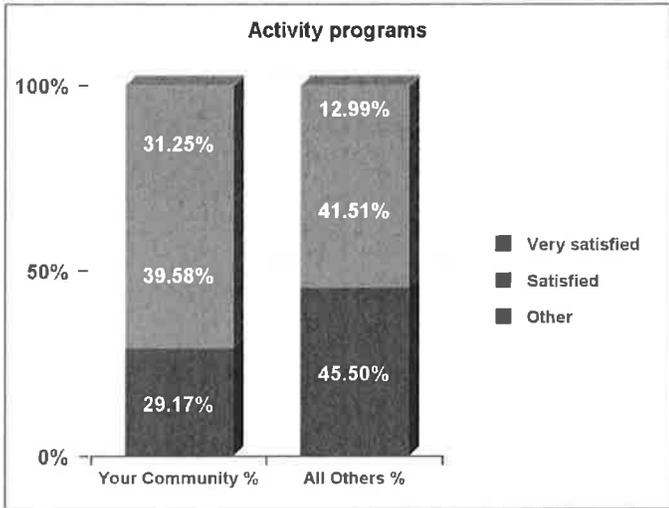


	Billing services	Activity programs	Quality of my life here	Amenities
Your Community - Mean Score	4.45	4.02	4.48	4.19
All Others - Mean Score	4.41	4.37	4.52	4.33

3. Top-Tiers Analyses of Overall Satisfaction by Domain

The following charts show the top-tiers analyses for your community compared to those of other communities participating in this Confidence Satisfaction Survey. Top-tiers refer to the percent of respondents rating each measure as 'very satisfied' or 'satisfied.'





4. Percentile Rankings of Top Box Responses

The following charts present top scoring (i.e., top box) respondents for overall experiences in each domain. Top performance is reflected by the proportion of 'most satisfied' respondents regarding their overall satisfaction with your community. Knowing what your 'most satisfied' residents value is key to recognizing and building resident loyalty!

The percentile rank of your community's overall 'top box' scores in each category is interpreted as the percentage of respondents who scored below your community's 'top box' score in each domain.

For example, if your community's percentile rank is 90, your community ranks at the 90th percentile for that domain. Your community ranks higher than 90% of similar communities nationwide. Or in other words, your community's performance score as measured by the proportion of your most satisfied customers is in the top 10% of all communities nationwide.

For comparison, the 'top box' score and percentile rank for all other Confidence respondents to this survey are provided.

Question Text	Top Box Responses		Mean Responses	
	Top Box Score	Percentile Rank	Score	Percentile Rank
Overall, good services are provided to me here.	57.69%	60th	4.48	45th
I would recommend my community to others as a good place to live.	57.14%	52nd	4.55	62nd
Billing questions are handled promptly.	35.71%	43rd	4.19	29th
The staff takes my opinions and suggestions seriously.	46.00%	100th	4.36	100th
I have benefited from the things I have experienced and learned here.	46.00%	100th	4.42	100th
My community has helped me pursue things I find meaningful in life.	43.14%	100th	4.43	100th
Housekeeping	53.06%	69th	4.53	86th
Staff	61.54%	48th	4.6	48th
Billing services	47.73%	47th	4.45	61st
Activity programs	34.15%	19th	4.02	7th
Quality of my life here	50.00%	38th	4.48	43rd

5. Resident Loyalty Index (RLI)

The Resident Loyalty Index (RLI) is a measure that summarizes how well your community rated on the key 'drivers' that matter most to residents when they think about recommending your community to others.

Why is Resident Loyalty Important? Across service industries, research concludes that 'very satisfied' residents are significantly more likely to make referrals to others, considered to be a strong indicator of customer loyalty. The RLI takes into account the percent of 'very satisfied' residents/patients for each of the top ten programs/services as well as the degree to which each top ten area affect an individual's 'willingness to recommend.'

Because these are the key drivers of resident loyalty, managers and staff prioritize these areas for ongoing quality improvement, thereby growing the percent of 'very satisfied' residents/patients who are most likely to recommend your community to potential new residents/patients.

How is the RLI calculated? The top ten factors that significantly contribute to resident loyalty are identified from analyses of all Confidence Satisfaction Survey data for each survey type (listed in the first column in the table below). These factors differ based on the survey type, although there are some common factors across surveys.

The 'impact' of each factor is then calculated which represents 'how much' or the percentage each factor contributes to resident loyalty (second column).

The percent of your community's respondents that rated each factor a '5' (highest score) are indicated in the third column.

The impact of each factor is then multiplied by the percent of '5's to create a factor weight (fourth column). Factor weights are totaled and multiplied by 100 to standardize the sum of factor weights creating the RLI for your community. Your RLI is compared to 'all other' similar communities participating in this Confidence Satisfaction Survey.

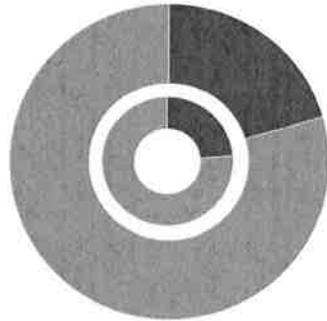
Question Text	Impact Rating	Your Community		All Others	
		Top Score %	Weight	Top Score %	Weight
Staff is polite and courteous.	18.90%	63.46%	11.77	74.28%	13.46
My community has a home-like environment.	13.90%	31.37%	4.20	43.79%	5.70
I feel that I am treated like an individual here.	13.80%	36.54%	4.88	45.53%	5.66
Staff takes care of my requests promptly.	8.70%	51.92%	4.43	56.45%	4.62
Billing questions are handled promptly.	8.30%	44.90%	3.45	45.26%	3.13
Staff treats me with the dignity and respect I deserve.	8.10%	41.18%	3.21	52.30%	3.88
I have benefited from the things I have experienced and learned here.	8.00%	23.08%	1.36	30.16%	2.06
Repairs are made promptly.	6.30%	38.00%	2.26	51.85%	3.06
		RLI:	35.54		41.58

6. Demographics of Survey Participants

What is your gender?

Your Community outside, All Others inside

- Female
- Male

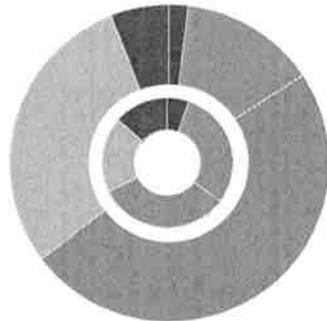


	Female	Male
Your Community	10	39
Your %	20.41%	79.59%
All Others	9	29
Others %	23.68%	76.32%

How old were you on your last birthday?

Your Community outside, All Others inside

- Less than 60 years of age
- 60-69 years of age
- 70-79 years of age
- 80-89 years of age
- Over 89 years of age

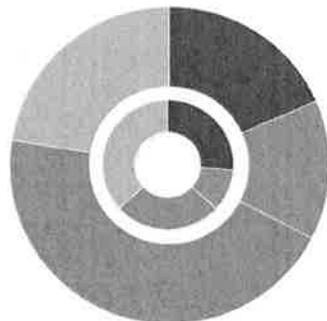


	Less than 60 years of age	60-69 years of age	70-79 years of age	80-89 years of age	Over 89 years of age
Your Community	1	7	25	15	3
Your %	1.96%	13.73%	49.02%	29.41%	5.88%
All Others	2	11	12	7	5
Others %	5.41%	29.73%	32.43%	18.92%	13.51%

What is your marital status?

Your Community outside, All Others inside

- Single
- Married
- Widowed
- Divorced

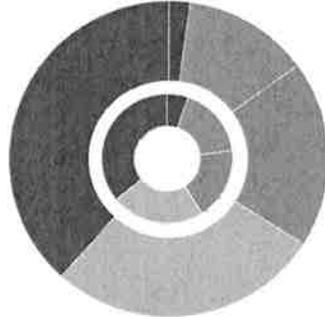


	Single	Married	Widowed	Divorced
Your Community	9	7	22	11
Your %	18.37%	14.29%	44.90%	22.45%
All Others	10	4	10	14
Others %	26.32%	10.53%	26.32%	36.84%

I have lived in this community for:

Your Community outside, All Others inside

- Less than 1 year
- 1-2 years
- 3-5 years
- 6-10 years
- More than 10 years

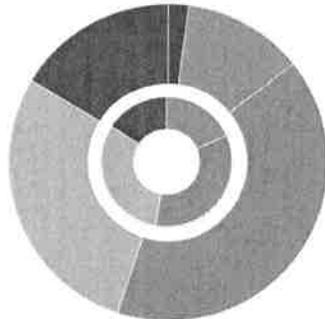


	Less than 1 year	1-2 years	3-5 years	6-10 years	More than 10 years
Your Community	1	6	9	13	18
Your %	2.13%	12.77%	19.15%	27.66%	38.30%
All Others	2	7	7	9	14
Others %	5.13%	17.95%	17.95%	23.08%	35.90%

I would rate my overall health as:

Your Community outside, All Others inside

- Very poor
- Poor
- Average
- Good
- Very good

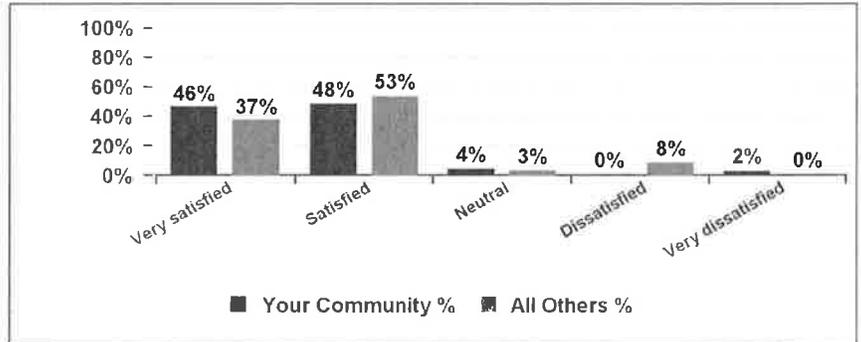


	Very poor	Poor	Average	Good	Very good
Your Community	1	6	20	14	8
Your %	2.04%	12.24%	40.82%	28.57%	16.33%
All Others	0	7	13	12	6
Others %	0.00%	18.42%	34.21%	31.58%	15.79%

7. Items

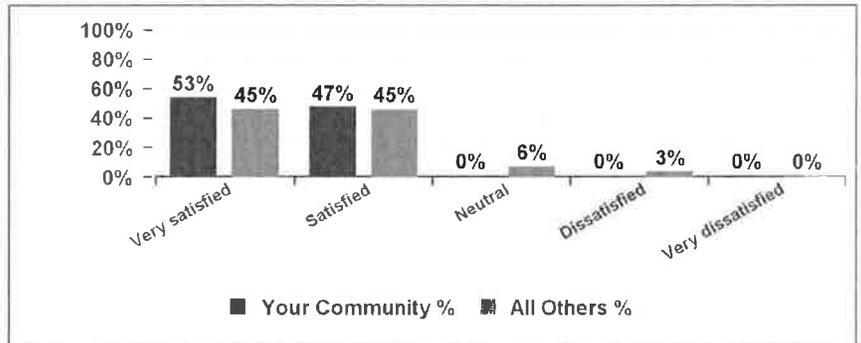
Maintenance

Response	Your Community	All Others
Very satisfied	46.00%	38.84%
Satisfied	48.00%	52.63%
Neutral	4.00%	2.63%
Dissatisfied	0.00%	7.89%
Very dissatisfied	2.00%	0.00%



Housekeeping

Response	Your Community	All Others
Very satisfied	53.06%	45.33%
Satisfied	46.94%	44.82%
Neutral	0.00%	6.27%
Dissatisfied	0.00%	3.10%
Very dissatisfied	0.00%	0.48%

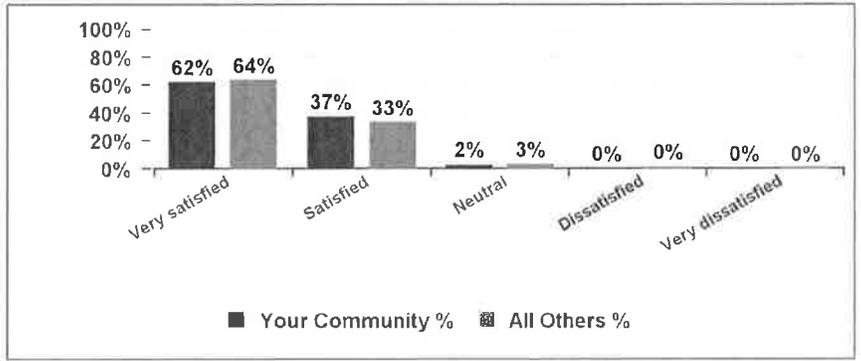


What residents say about the environment

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Repairs are made promptly.					
Your Community %	38.00%	50.00%	2.00%	4.00%	6.00%
All Others %	51.85%	39.66%	5.41%	2.78%	0.31%
My community has a home-like environment.					
Your Community %	31.37%	56.86%	9.80%	1.96%	0.00%
All Others %	43.79%	43.76%	9.70%	2.54%	0.21%
The appearance of common areas are well maintained.					
Your Community %	46.15%	51.92%	0.00%	0.00%	1.92%
All Others %	25.00%	50.00%	10.00%	12.50%	2.50%
Laundry					
Your Community %	46.00%	52.00%	0.00%	2.00%	0.00%
All Others %	29.41%	52.94%	11.76%	5.88%	0.00%
Outside grounds					
Your Community %	43.14%	56.86%	0.00%	0.00%	0.00%
All Others %	34.29%	40.00%	5.71%	20.00%	0.00%

Staff

Response	Your Community	All Others
Very satisfied	61.54%	63.51%
Satisfied	36.54%	33.18%
Neutral	1.92%	2.66%
Dissatisfied	0.00%	0.44%
Very dissatisfied	0.00%	0.22%

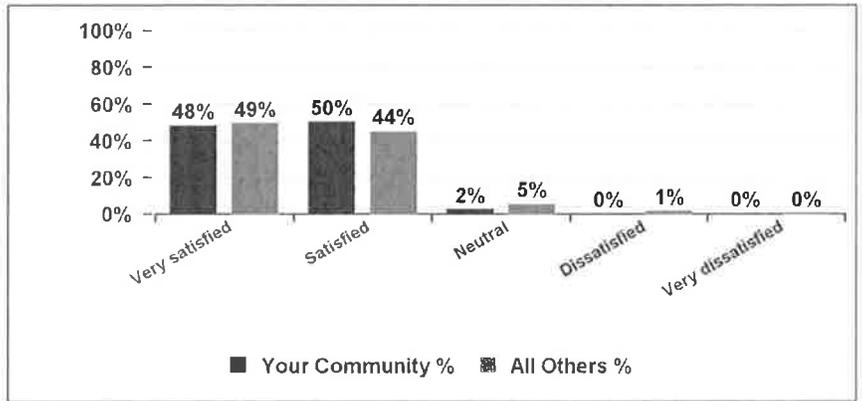


What residents say about the staff

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Staff is polite and courteous.					
Your Community %	63.46%	32.69%	1.92%	1.92%	0.00%
All Others %	74.28%	23.92%	1.25%	0.42%	0.12%
Reception staff is polite and courteous.					
Your Community %	53.49%	41.86%	2.33%	0.00%	2.33%
All Others %	46.15%	46.15%	5.13%	2.56%	0.00%
Reception staff is friendly and helpful to guests and visitors.					
Your Community %	38.46%	51.28%	7.69%	0.00%	2.56%
All Others %	38.89%	50.00%	11.11%	0.00%	0.00%
Staff takes care of my requests promptly.					
Your Community %	51.92%	42.31%	0.00%	1.92%	3.85%
All Others %	56.45%	37.73%	4.05%	1.40%	0.37%

Billing services

Response	Your Community	All Others
Very satisfied	47.73%	49.27%
Satisfied	50.00%	44.27%
Neutral	2.27%	5.11%
Dissatisfied	0.00%	1.15%
Very dissatisfied	0.00%	0.21%

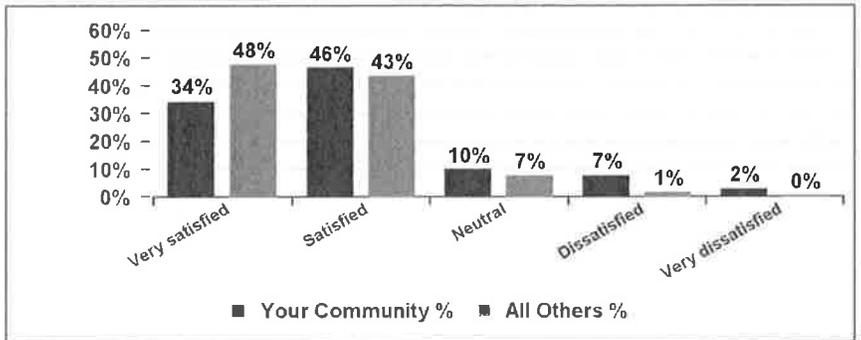


What residents say about operations and administration

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Managers are responsive to my concerns.					
Your Community %	50.94%	41.51%	3.77%	0.00%	3.77%
All Others %	40.88%	48.02%	8.79%	2.06%	0.45%
Billing questions are handled promptly.					
Your Community %	44.90%	46.94%	4.08%	2.04%	2.04%
All Others %	45.26%	46.80%	6.63%	1.17%	0.14%
Community policies are consistently conveyed.					
Your Community %	41.86%	51.16%	2.33%	4.65%	0.00%
All Others %	30.04%	50.07%	14.77%	4.60%	0.53%
The Resident Council is effective in meeting my needs.					
Your Community %	29.03%	54.84%	12.90%	3.23%	0.00%
All Others %	25.99%	43.78%	25.47%	3.61%	1.15%
Move-in assistance met my needs.					
Your Community %	38.46%	51.28%	7.69%	0.00%	2.56%
All Others %	43.36%	45.08%	9.30%	1.73%	0.53%

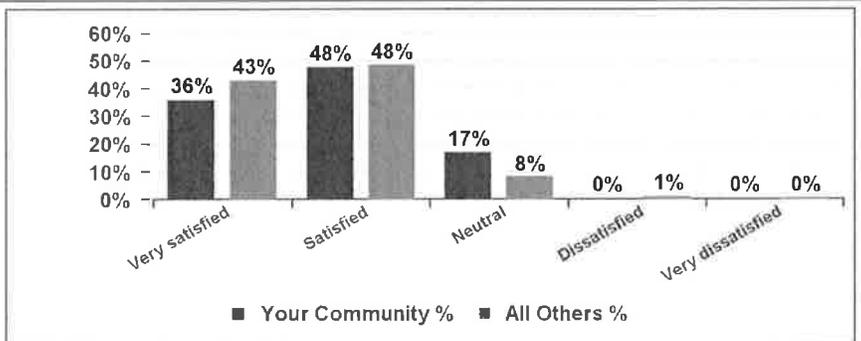
Activity programs

Response	Your Community	All Others
Very satisfied	34.15%	47.56%
Satisfied	46.34%	43.39%
Neutral	9.76%	7.41%
Dissatisfied	7.32%	1.38%
Very dissatisfied	2.44%	0.26%



Amenities

Response	Your Community	All Others
Very satisfied	35.71%	42.78%
Satisfied	47.82%	48.33%
Neutral	16.67%	7.92%
Dissatisfied	0.00%	0.77%
Very dissatisfied	0.00%	0.21%



What residents say about activity programs and amenities

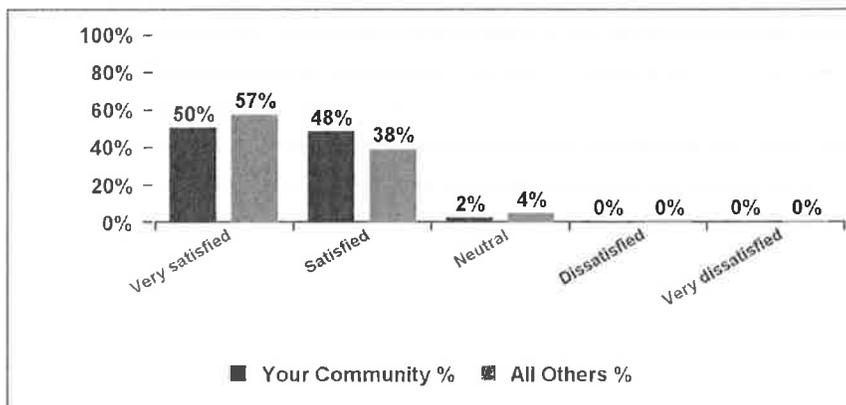
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The variety of activities offered					
Your Community %	17.39%	58.70%	15.22%	6.52%	2.17%
All Others %	44.31%	45.26%	8.04%	2.16%	0.23%
Parking accommodations					
Your Community %	25.71%	51.43%	14.29%	8.57%	0.00%
All Others %	33.99%	46.26%	11.09%	6.88%	1.78%

What residents say about wellness programs

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I enjoy socializing at group events (such as concerts, parties, and gatherings).					
Your Community %	25.53%	61.70%	4.26%	6.38%	2.13%
All Others %	38.82%	49.18%	10.79%	1.18%	0.23%
I enjoy attending entertainment programs in my community.					
Your Community %	23.26%	55.81%	9.30%	9.30%	2.33%
All Others %	40.68%	47.44%	10.57%	1.00%	0.30%
Physical health programs such as exercise or yoga meet my needs.					
Your Community %	14.81%	33.33%	37.04%	14.81%	0.00%
All Others %	36.83%	47.62%	13.45%	1.74%	0.36%
I have opportunities to participate in volunteering activities.					
Your Community %	22.58%	48.39%	16.13%	12.90%	0.00%
All Others %	34.01%	52.87%	11.41%	1.41%	0.30%
Educational lectures, classes, and seminars meet my expectations.					
Your Community %	25.00%	42.86%	21.43%	10.71%	0.00%
All Others %	30.84%	48.11%	17.05%	3.41%	0.59%

Quality of my life here

Response	Your Community	All Others
Very satisfied	50.00%	56.98%
Satisfied	48.00%	38.43%
Neutral	2.00%	4.17%
Dissatisfied	0.00%	0.28%
Very dissatisfied	0.00%	0.15%



What residents say about quality of life

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The staff takes my opinions and suggestions seriously.					
Your Community %	37.50%	50.00%	4.17%	4.17%	4.17%
All Others %	32.08%	47.44%	16.11%	3.62%	0.75%
I have benefited from the things I have experienced and learned here.					
Your Community %	23.08%	51.28%	17.95%	7.69%	0.00%
All Others %	30.16%	49.98%	18.08%	1.44%	0.33%
I feel that I am treated like an individual here.					
Your Community %	36.54%	53.85%	3.85%	5.77%	0.00%
All Others %	45.53%	48.26%	4.98%	0.88%	0.34%
Staff treats me with the dignity and respect I deserve.					
Your Community %	41.18%	50.98%	3.92%	3.92%	0.00%
All Others %	52.30%	43.42%	3.25%	0.72%	0.31%
Staff is respectful of my privacy.					
Your Community %	46.00%	52.00%	0.00%	2.00%	0.00%
All Others %	52.73%	43.99%	2.59%	0.37%	0.31%
I feel safe in this community.					
Your Community %	52.94%	45.10%	1.96%	0.00%	0.00%
All Others %	63.13%	33.86%	2.23%	0.53%	0.25%

8. Comparing Mean Scores to Benchmarks

A recommended target 'mean score' is 4, representing a rating of 'good' overall for each characteristic. Increased percent differences of 5% or more are considered significant improvements. If your community's mean score is more than 5% below 'all others', target that area for Confidence Action Planning.

Question Text	Your Community	All Others	Percent Difference
Repairs are made promptly.	4.10	4.40	-7.31%
Staff is polite and courteous.	4.58	4.72	-3.09%
Reception staff is polite and courteous.	4.44	4.36	1.87%
Reception staff is friendly and helpful to guests and visitors.	4.23	4.28	-1.11%
Managers are responsive to my concerns.	4.36	4.26	2.16%
Billing questions are handled promptly.	4.31	4.36	-1.22%
Community policies are consistently conveyed.	4.30	4.04	5.98%
The staff takes my opinions and suggestions seriously.	4.13	4.06	1.46%
Housekeeping	4.53	4.31	4.78%
Staff	4.60	4.59	0.06%
Billing services	4.45	4.41	0.95%
Activity programs	4.02	4.37	-8.49%
Overall, good services are provided to me here.	4.48	4.51	-0.74%
I feel that my community has a high quality reputation compared to others.	4.18	4.39	-5.03%
The services I receive provide good value for fees I pay.	4.45	4.19	5.88%
I would recommend my community to others as a good place to live.	4.55	4.46	1.90%
My community has a home-like environment.	4.18	4.28	-2.57%
Staff takes care of my requests promptly.	4.37	4.48	-2.74%
The Resident Council is effective in meeting my needs.	4.10	3.90	4.84%
I enjoy socializing at group events (such as concerts, parties, and gatherings).	4.02	4.25	-5.63%
I enjoy attending entertainment programs in my community.	3.88	4.27	-10.00%
I have benefited from the things I have experienced and learned here.	3.90	4.08	-4.74%
I feel that I am treated like an individual here.	4.21	4.38	-3.94%
Staff treats me with the dignity and respect I deserve.	4.29	4.47	-4.02%
Staff is respectful of my privacy.	4.42	4.48	-1.46%
I feel safe in this community.	4.51	4.59	-1.80%
Move-in assistance met my needs.	4.23	4.29	-1.40%
The variety of activities offered	3.83	4.31	-12.72%
Parking accommodations	3.94	4.04	-2.41%
Physical health programs such as exercise or yoga meet my needs.	3.48	4.19	-20.30%
I have opportunities to participate in volunteering activities.	3.81	4.19	-10.05%
Educational lectures, classes, and seminars meet my expectations.	3.82	4.05	-6.04%
Amenities	4.19	4.33	-3.26%
The appearance of common areas are well maintained.	4.40	3.83	13.14%

Question Text	Your Community	All Others	Percent Difference
Maintenance	4.36	4.18	4.03%
Laundry	4.42	4.06	8.17%
Outside grounds	4.43	3.89	12.31%
Average:	4.23	4.28	-1.13%

Satisfaction Survey Open-Ended Comments

Please tell us what we do best here.

- Everything which is asked to be done, gets taken care of immediately. Walnut Place needs to work on this topic.
- Providing different activities. Social gatherings.
- Maintain everything really nice. Safety and provide and safe building. Privacy.
- Friendly smiles and greetings, prompt attention to repairs, building is immaculate, and privacy is respected.
- I think the staff does an excellent job.
- Technical maintenance.
- Keep my privacy.
- Everything. (2)
- Handling any problems that may occur.
- I think the overall cost of the town is wonderful. The shop owners I associate with are kind and caring. The way the town is kept is obvious and that is because of all of the people made it that way. I for one appreciate it.
- Keep the building clean.
- The safety and community sense is encouraged and maintained well in the building by the management staff.
- Play bingo, meeting with the girls, and talk every afternoon.
- Very polite staff and friendly residents.
- I feel safe to live here. The care that we get from the office people and the clean atmosphere. When I had health problems they came in every minute either the maintenance people if they are not there they call for help right away.
- Billing.

What do you think could be done to improve the quality of your community?

- We need a new TV in the TV room by the main entry, please add computers with internet in the library's room.
- Change the kitchen cabinets in room #310.
- Offer light housekeeping to be paid privately from a reliable services to vacuum and dust.
- More trips to casinos and more trips to places of interest.
- We need an outside shelter. I need a door at my living room window to go out and come in easily.

- I think that parking has always been an issue. Even in our building there are parking issues. It is difficult with a town this big to find places, but it is a problem.
- Put in a swimming pool.
- More variety in activities offered in the building. However, the staff do their best and I know it is hard to meet everyone's needs in this building.
- I think if you put a sport machine in the community room residents will enjoy more activities.
- I think it can't be better than it is.
- Install central air conditioning system for all apartments because the wall units do not work very well and do not cool the bedroom and all apartments plus they make a lot of noise. The worst is on the 3rd and 4th floor. Bathrooms do not have ventilation systems; the small fan does not take bad air away and does not work to make the room clean. Elevators do not work how they much, service to this elevators do not make them work right. Insolation of attic is bad, heat or cold coming through. Kitchen exhaust system is bad, smog from apartments comes in upper kitchen apartments.

Comparing your community to others, what makes your community stand out from all the rest?

- It's just a nice way to live here.
- Location, friendliness, and nice staff.
- Well maintained, low crime, quick fire ambulance response.
- Wonderful location-beach, shops, etc.
- A variety of programs and activities.
- I think that there is a network of people that are willing to help. Especially being a senior there are problems that arise for us and other people. Their questions are answered and help is offered. It's a great feeling. I have not seen this in the other communities I have lived in.
- Very safe place. (2)
- The Frank B. Peers building is clean, well maintained and located in a beautiful community. The staff is wonderful! Always kind and helpful! Heidi, Sherri, Ray and team are the best!
- Always something happening summer or winter.
- How the tenant and the office people pay attention to each other and help in every way.

The Confidence Satisfaction Survey Report consists of several sections:

Your Confidence Satisfaction Survey Report includes the key findings from your survey: benchmarking overall experiences; benchmarking overall satisfaction with your community; top-tiers analyses of overall indicators for each survey domain; percentile rankings of top-tier responses for overall indicators; the Resident Loyalty Index; and a demographic profile of your residents.

Items that measure specific information about a dimension (such as environment, quality of life, management, or staff) are grouped together and graphics provide helpful visual aids to benchmark your current overall results against those of other communities participating in this Confidence Satisfaction Survey.

Confidence Survey results also focus on the impact of your programs and services on important outcomes, including quality of life, wellness, and self-reported health. Your results are also benchmarked against those of other communities participating in this Confidence Satisfaction Survey.

Your community's response summary below displays the total number of surveys returned compared to the total number of surveys ordered. A response rate of at least 60% is recommended in order to consider results representative of your community.

	Your Community Response Totals	
	Your Community	All Others
Responses	42	3,503
Surveys Ordered	54	N/A
Response Rate	77.78%	N/A

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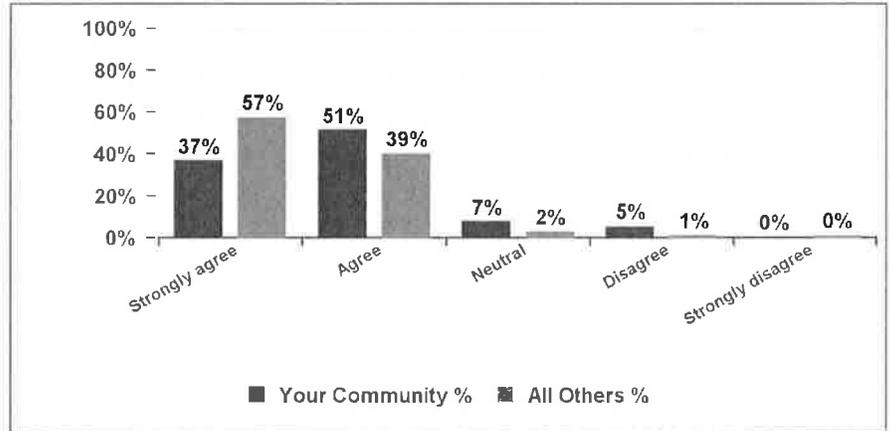
1. Overall Experiences in Your Community

The Confidence Satisfaction Survey examines respondents' overall experiences in your community according to four measures: overall experiences with services, willingness to recommend your community to others, reputation of your community, and perceived value of your services.

The following charts summarize your results on these measures benchmarked against those other communities participating in this Confidence Satisfaction Survey.

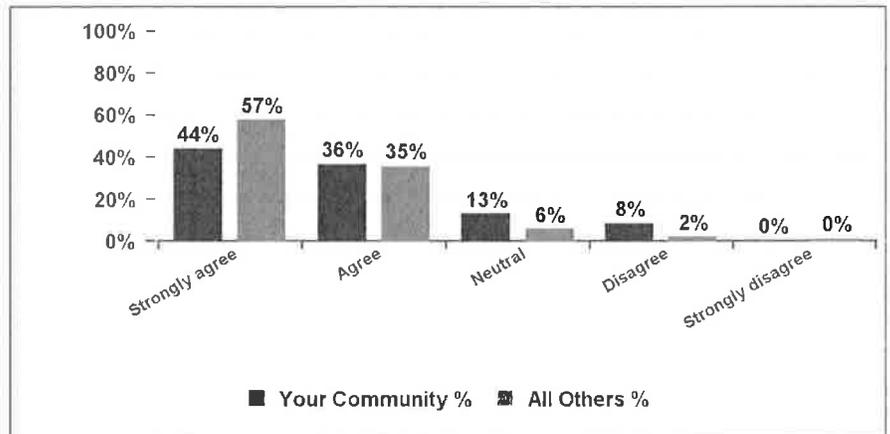
Overall, good services are provided to me here.

Response	Your Community		All Others	
	Count	%	Count	%
Strongly agree	15	36.59%	1,883	56.91%
Agree	21	51.22%	1,307	39.50%
Neutral	3	7.32%	81	2.45%
Disagree	2	4.88%	24	0.73%
Strongly disagree		0.00%	14	0.42%
Uncounted	0		194	
Total	41		3,503	



I would recommend my community to others as a good place to live.

Response	Your Community		All Others	
	Count	%	Count	%
Strongly agree	17	43.59%	1,886	57.34%
Agree	14	35.90%	1,149	34.93%
Neutral	5	12.82%	182	5.53%
Disagree	3	7.69%	57	1.73%
Strongly disagree		0.00%	15	0.46%
Uncounted	2		214	
Total	41		3,503	

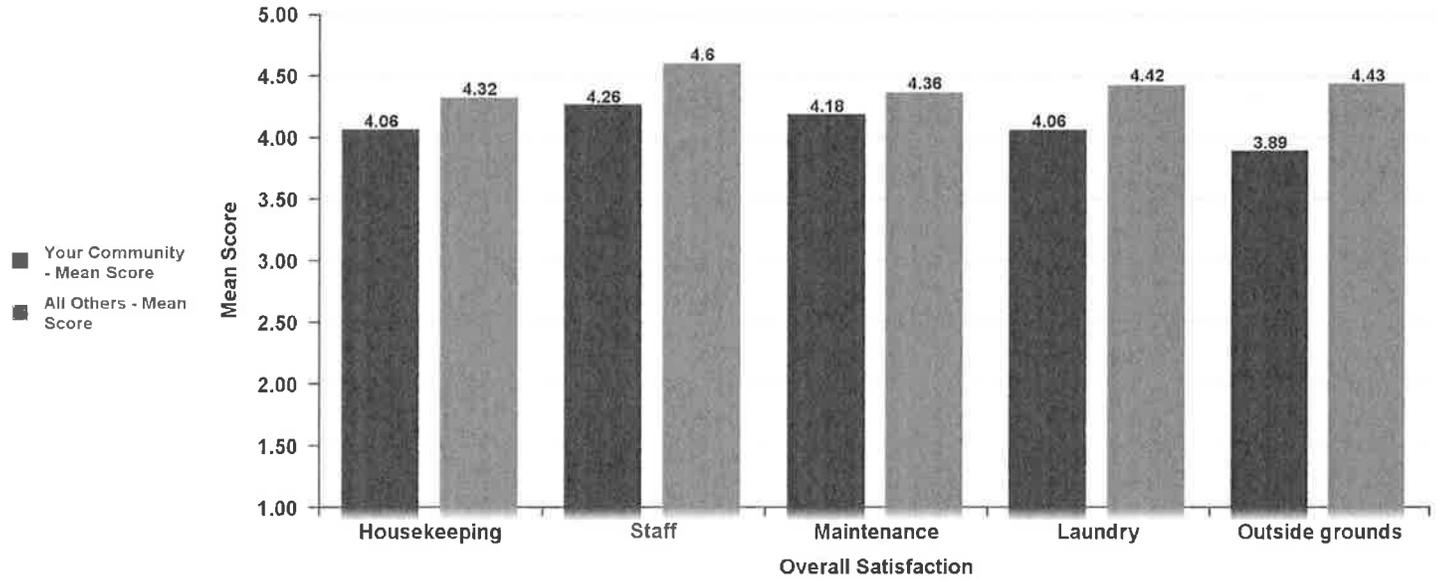


What residents say about their overall experience

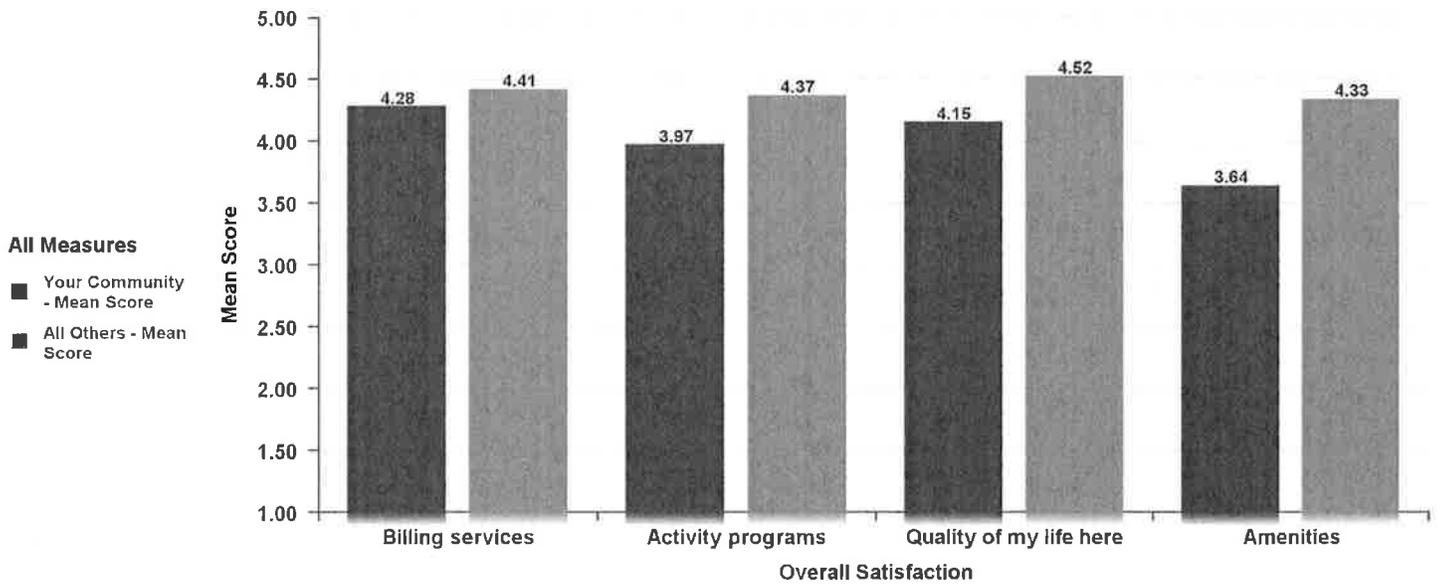
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I feel that my community has a high quality reputation compared to others.					
Your Community %	18.42%	52.63%	26.32%	2.63%	0.00%
All Others %	51.94%	37.57%	9.06%	1.14%	0.29%
The services I receive provide good value for fees I pay.					
Your Community %	35.90%	53.85%	5.13%	5.13%	0.00%
All Others %	38.08%	46.55%	11.97%	2.98%	0.43%

2. Benchmarking Overall Satisfaction

The following charts benchmark your community's mean satisfaction scores against those of all other communities participating in this Confidence Satisfaction Survey.



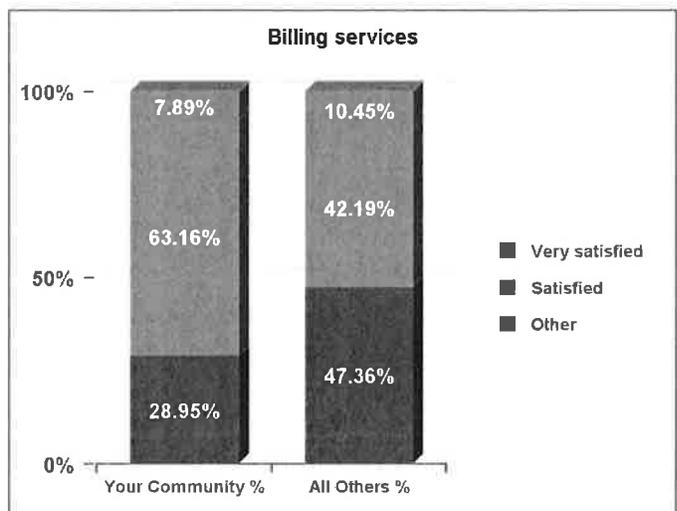
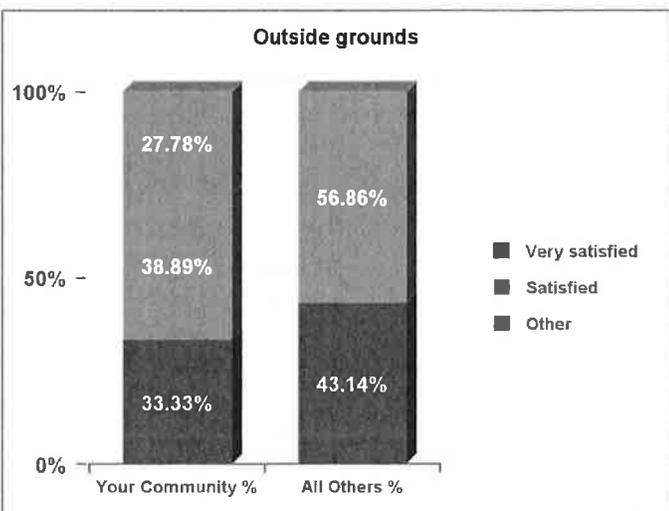
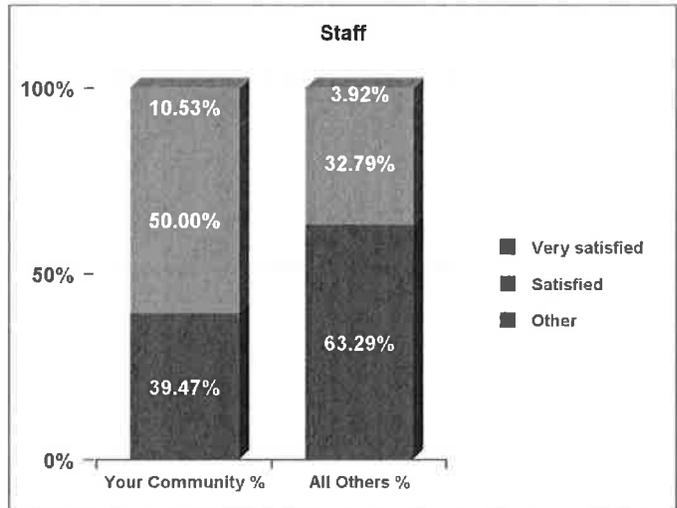
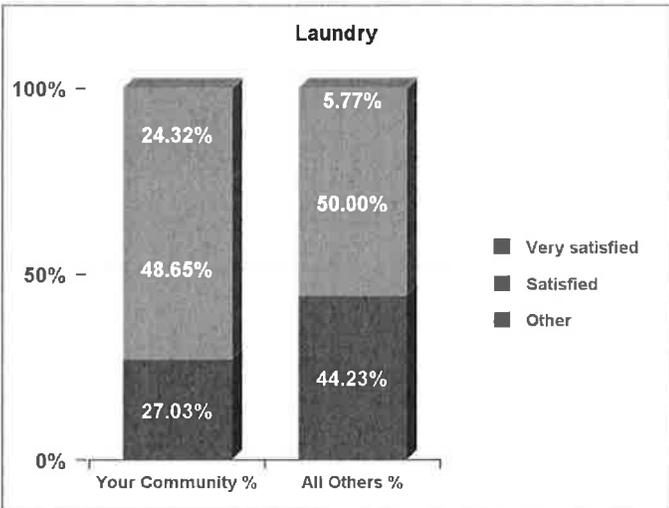
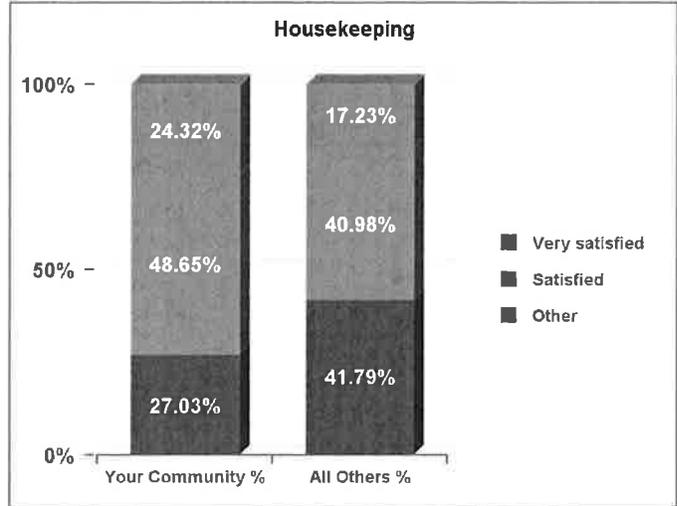
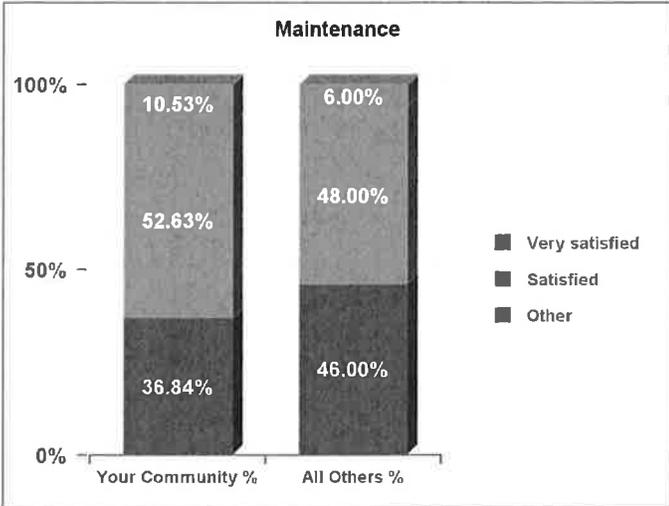
	Housekeeping	Staff	Maintenance	Laundry	Outside grounds
Your Community - Mean Score	4.06	4.26	4.18	4.06	3.89
All Others - Mean Score	4.32	4.60	4.36	4.42	4.43

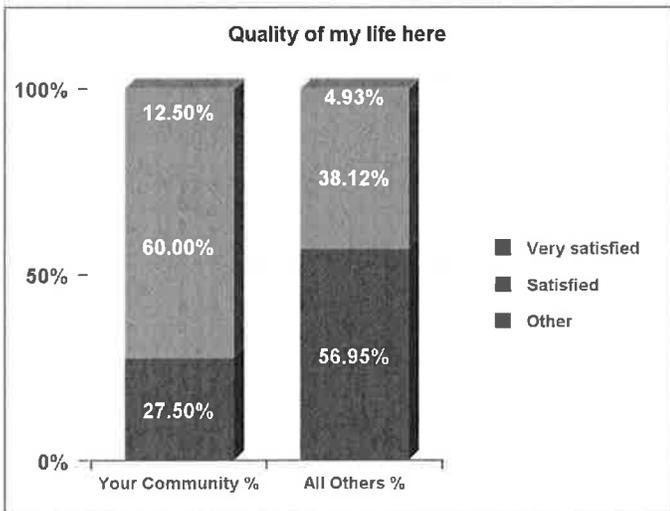
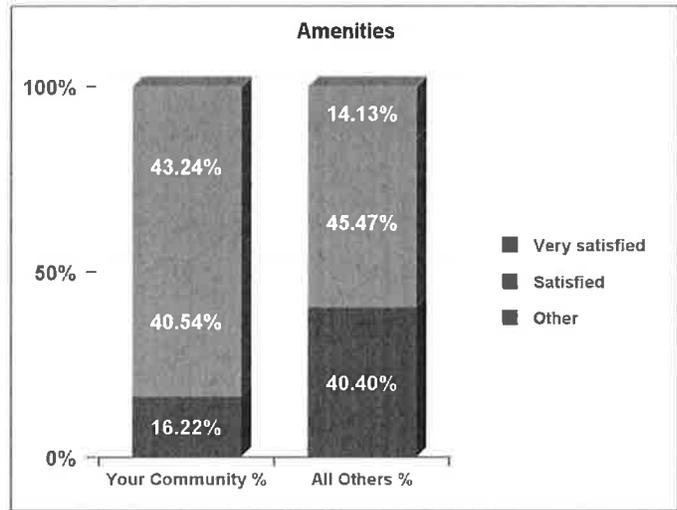
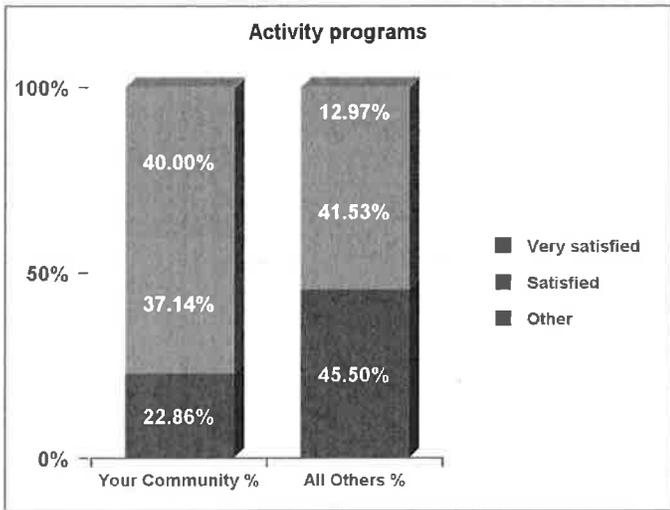


	Billing services	Activity programs	Quality of my life here	Amenities
Your Community - Mean Score	4.28	3.97	4.15	3.64
All Others - Mean Score	4.41	4.37	4.52	4.33

3. Top-Tiers Analyses of Overall Satisfaction by Domain

The following charts show the top-tiers analyses for your community compared to those of other communities participating in this Confidence Satisfaction Survey. Top-tiers refer to the percent of respondents rating each measure as 'very satisfied' or 'satisfied.'





4. Percentile Rankings of Top Box Responses

The following charts present top scoring (i.e., top box) respondents for overall experiences in each domain. Top performance is reflected by the proportion of 'most satisfied' respondents regarding their overall satisfaction with your community. Knowing what your 'most satisfied' residents value is key to recognizing and building resident loyalty!

The percentile rank of your community's overall 'top box' scores in each category is interpreted as the percentage of respondents who scored below your community's 'top box' score in each domain.

For example, if your community's percentile rank is 90, your community ranks at the 90th percentile for that domain. Your community ranks higher than 90% of similar communities nationwide. Or in other words, your community's performance score as measured by the proportion of your most satisfied customers is in the top 10% of all communities nationwide.

For comparison, the 'top box' score and percentile rank for all other Confidence respondents to this survey are provided.

Question Text	Top Box Responses		Mean Responses	
	Top Box Score	Percentile Rank	Score	Percentile Rank
Overall, good services are provided to me here.	36.59%	5th	4.2	5th
I would recommend my community to others as a good place to live.	43.59%	19th	4.15	10th
Billing questions are handled promptly.	18.18%	10th	3.64	0th
The staff takes my opinions and suggestions seriously.	36.84%	0th	4.18	0th
I have benefited from the things I have experienced and learned here.	29.41%	0th	4.06	0th
My community has helped me pursue things I find meaningful in life.	34.29%	0th	3.89	0th
Housekeeping	30.30%	7th	4.06	7th
Staff	39.47%	5th	4.26	5th
Billing services	30.56%	13th	4.28	26th
Activity programs	26.67%	7th	3.97	2nd
Quality of my life here	27.50%	0th	4.15	0th

5. Resident Loyalty Index (RLI)

The Resident Loyalty Index (RLI) is a measure that summarizes how well your community rated on the key 'drivers' that matter most to residents when they think about recommending your community to others.

Why is Resident Loyalty Important? Across service industries, research concludes that 'very satisfied' residents are significantly more likely to make referrals to others, considered to be a strong indicator of customer loyalty. The RLI takes into account the percent of 'very satisfied' residents/patients for each of the top ten programs/services as well as the degree to which each top ten area affect an individual's 'willingness to recommend.'

Because these are the key drivers of resident loyalty, managers and staff prioritize these areas for ongoing quality improvement, thereby growing the percent of 'very satisfied' residents/patients who are most likely to recommend your community to potential new residents/patients.

How is the RLI calculated? The top ten factors that significantly contribute to resident loyalty are identified from analyses of all Confidence Satisfaction Survey data for each survey type (listed in the first column in the table below). These factors differ based on the survey type, although there are some common factors across surveys.

The 'impact' of each factor is then calculated which represents 'how much' or the percentage each factor contributes to resident loyalty (second column).

The percent of your community's respondents that rated each factor a '5' (highest score) are indicated in the third column.

The impact of each factor is then multiplied by the percent of '5's to create a factor weight (fourth column). Factor weights are totaled and multiplied by 100 to standardize the sum of factor weights creating the RLI for your community. Your RLI is compared to 'all other' similar communities participating in this Confidence Satisfaction Survey.

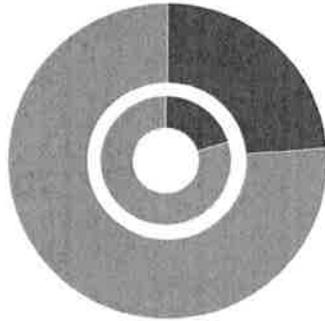
Question Text	Impact Rating	Your Community		All Others	
		Top Score %	Weight	Top Score %	Weight
Staff is polite and courteous.	18.90%	33.33%	5.99	74.59%	13.53
My community has a home-like environment.	13.90%	15.38%	2.03	43.93%	5.72
I feel that I am treated like an individual here.	13.80%	25.71%	2.99	45.60%	5.68
Staff takes care of my requests promptly.	8.70%	33.33%	2.76	56.65%	4.63
Billing questions are handled promptly.	8.30%	27.03%	2.02	45.48%	3.15
Staff treats me with the dignity and respect I deserve.	8.10%	32.43%	2.37	52.35%	3.89
I have benefited from the things I have experienced and learned here.	8.00%	18.75%	1.17	30.19%	2.06
Repairs are made promptly.	6.30%	27.50%	1.69	51.93%	3.07
		RLI:	21.03		41.73

6. Demographics of Survey Participants

What is your gender?

Your Community outside, All Others inside

- Female
- Male

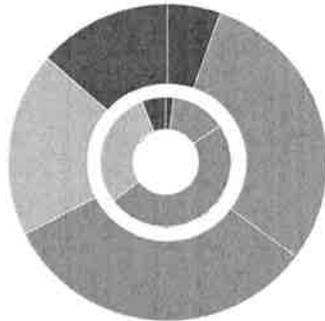


	Female	Male
Your Community	9	29
Your %	23.68%	76.32%
All Others	10	39
Others %	20.41%	79.59%

How old were you on your last birthday?

Your Community outside, All Others inside

- Less than 60 years of age
- 60-69 years of age
- 70-79 years of age
- 80-89 years of age
- Over 89 years of age

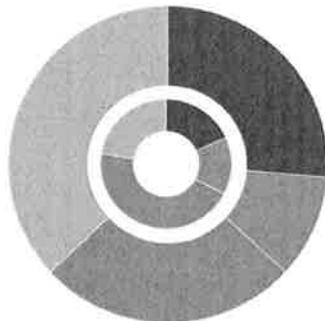


	Less than 60 years of age	60-69 years of age	70-79 years of age	80-89 years of age	Over 89 years of age
Your Community	2	11	12	7	5
Your %	5.41%	29.73%	32.43%	18.92%	13.51%
All Others	1	7	25	15	3
Others %	1.96%	13.73%	49.02%	29.41%	5.88%

What is your marital status?

Your Community outside, All Others inside

- Single
- Married
- Widowed
- Divorced

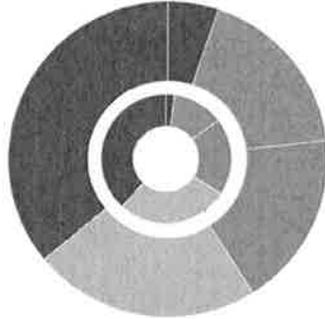


	Single	Married	Widowed	Divorced
Your Community	10	4	10	14
Your %	28.32%	10.53%	26.32%	36.84%
All Others	9	7	22	11
Others %	18.37%	14.29%	44.90%	22.45%

I have lived in this community for:

Your Community outside, All Others inside

- Less than 1 year
- 1-2 years
- 3-5 years
- 6-10 years
- More than 10 years

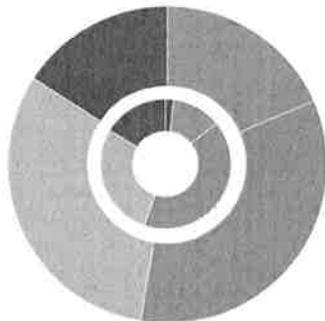


	Less than 1 year	1-2 years	3-5 years	6-10 years	More than 10 years
Your Community	2	7	7	9	14
Your %	5.13%	17.95%	17.95%	23.08%	35.90%
All Others	1	6	9	13	18
Others %	2.13%	12.77%	19.15%	27.66%	38.30%

I would rate my overall health as:

Your Community outside, All Others inside

- Very poor
- Poor
- Average
- Good
- Very good

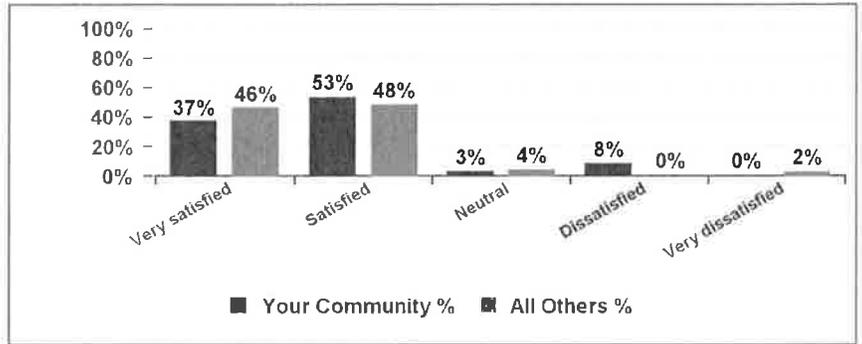


	Very poor	Poor	Average	Good	Very good
Your Community	0	7	13	12	6
Your %	0.00%	18.42%	34.21%	31.58%	15.79%
All Others	1	6	20	14	8
Others %	2.04%	12.24%	40.82%	28.57%	16.33%

7. Items

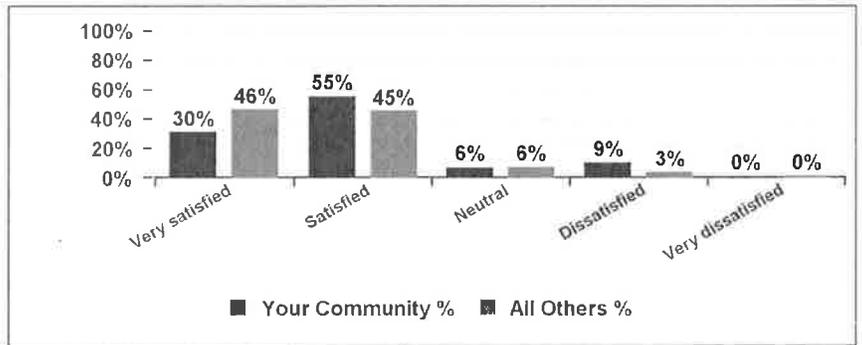
Maintenance

Response	Your Community	All Others
Very satisfied	36.84%	46.00%
Satisfied	52.63%	48.00%
Neutral	2.63%	4.00%
Dissatisfied	7.89%	0.00%
Very dissatisfied	0.00%	2.00%



Housekeeping

Response	Your Community	All Others
Very satisfied	30.30%	45.63%
Satisfied	54.55%	44.75%
Neutral	6.06%	6.17%
Dissatisfied	9.09%	2.98%
Very dissatisfied	0.00%	0.47%

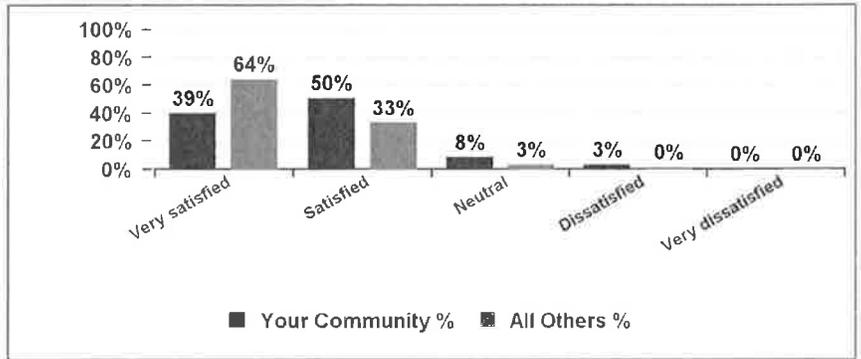


What residents say about the environment

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Repairs are made promptly.					
Your Community %	27.50%	60.00%	5.00%	7.50%	0.00%
All Others %	51.93%	39.57%	5.36%	2.74%	0.40%
My community has a home-like environment.					
Your Community %	15.38%	58.97%	17.95%	7.69%	0.00%
All Others %	43.93%	43.78%	9.60%	2.47%	0.21%
The appearance of common areas are well maintained.					
Your Community %	25.00%	50.00%	10.00%	12.50%	2.50%
All Others %	46.15%	51.92%	0.00%	0.00%	1.92%
Laundry					
Your Community %	29.41%	52.94%	11.76%	5.88%	0.00%
All Others %	46.00%	52.00%	0.00%	2.00%	0.00%
Outside grounds					
Your Community %	34.29%	40.00%	5.71%	20.00%	0.00%
All Others %	43.14%	56.86%	0.00%	0.00%	0.00%

Staff

Response	Your Community	All Others
Very satisfied	39.47%	63.76%
Satisfied	50.00%	33.03%
Neutral	7.89%	2.58%
Dissatisfied	2.63%	0.40%
Very dissatisfied	0.00%	0.22%

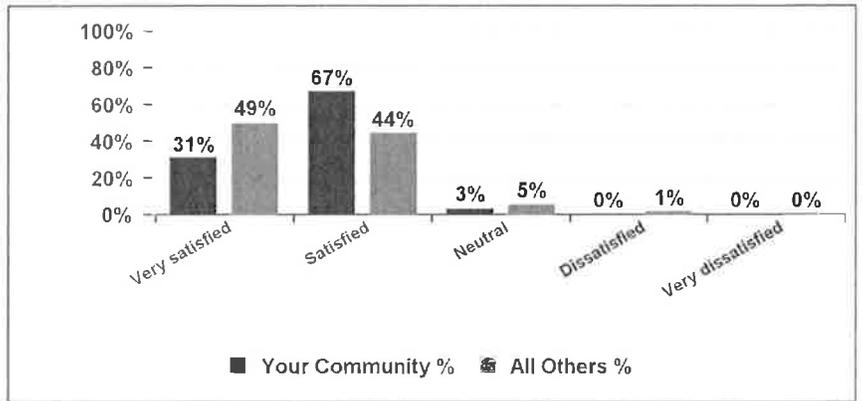


What residents say about the staff

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Staff is polite and courteous.					
Your Community %	33.33%	46.15%	12.82%	7.69%	0.00%
All Others %	74.59%	23.80%	1.13%	0.36%	0.12%
Reception staff is polite and courteous.					
Your Community %	46.15%	46.15%	5.13%	2.56%	0.00%
All Others %	53.49%	41.86%	2.33%	0.00%	2.33%
Reception staff is friendly and helpful to guests and visitors.					
Your Community %	38.89%	50.00%	11.11%	0.00%	0.00%
All Others %	38.46%	51.28%	7.69%	0.00%	2.58%
Staff takes care of my requests promptly.					
Your Community %	33.33%	56.41%	7.69%	2.56%	0.00%
All Others %	56.65%	37.58%	3.95%	1.40%	0.43%

Billing services

Response	Your Community	All Others
Very satisfied	30.56%	49.48%
Satisfied	66.67%	44.07%
Neutral	2.78%	5.09%
Dissatisfied	0.00%	1.14%
Very dissatisfied	0.00%	0.21%

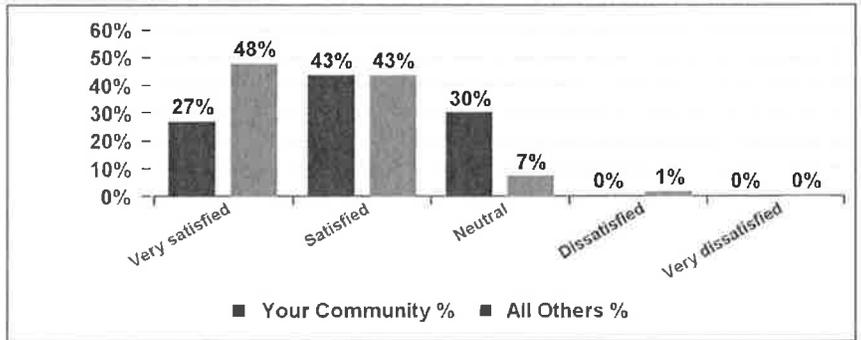


What residents say about operations and administration

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Managers are responsive to my concerns.					
Your Community %	17.50%	57.50%	15.00%	7.50%	2.50%
All Others %	41.15%	47.79%	8.62%	1.96%	0.48%
Billing questions are handled promptly.					
Your Community %	27.03%	62.16%	8.11%	2.70%	0.00%
All Others %	45.48%	46.61%	6.57%	1.16%	0.17%
Community policies are consistently conveyed.					
Your Community %	21.62%	51.35%	13.51%	13.51%	0.00%
All Others %	30.31%	50.07%	14.61%	4.49%	0.52%
The Resident Council is effective in meeting my needs.					
Your Community %	15.63%	53.13%	25.00%	6.25%	0.00%
All Others %	26.14%	43.80%	25.34%	3.58%	1.15%
Move-in assistance met my needs.					
Your Community %	17.65%	47.06%	26.47%	8.82%	0.00%
All Others %	43.64%	45.16%	9.03%	1.60%	0.57%

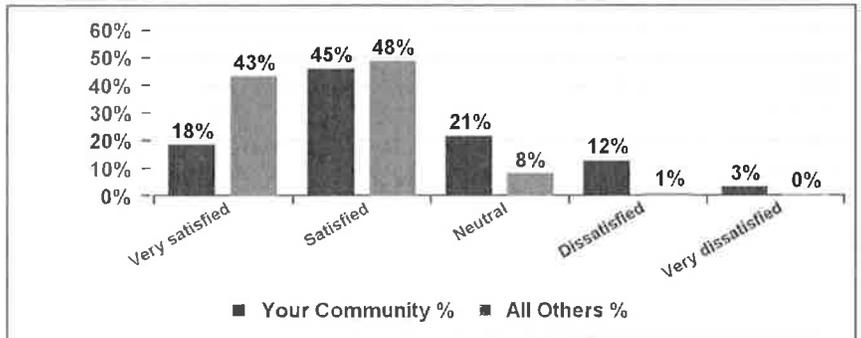
Activity programs

Response	Your Community	All Others
Very satisfied	26.67%	47.58%
Satisfied	43.33%	43.43%
Neutral	30.00%	7.22%
Dissatisfied	0.00%	1.47%
Very dissatisfied	0.00%	0.29%



Amenities

Response	Your Community	All Others
Very satisfied	18.18%	42.96%
Satisfied	45.45%	48.35%
Neutral	21.21%	7.90%
Dissatisfied	12.12%	0.63%
Very dissatisfied	3.03%	0.17%



What residents say about activity programs and amenities

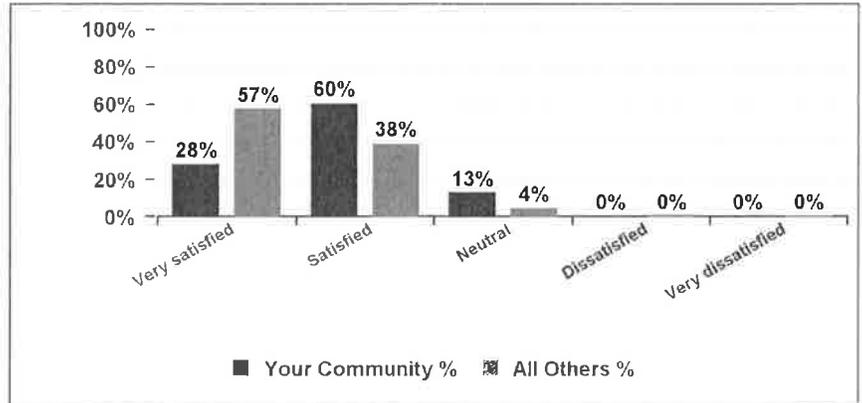
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The variety of activities offered					
Your Community %	8.82%	44.12%	32.35%	14.71%	0.00%
All Others %	44.30%	45.48%	7.88%	2.08%	0.26%
Parking accommodations					
Your Community %	11.11%	37.04%	18.52%	14.81%	18.52%
All Others %	34.13%	46.43%	11.05%	6.82%	1.57%

What residents say about wellness programs

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I enjoy socializing at group events (such as concerts, parties, and gatherings).					
Your Community %	22.58%	48.39%	22.58%	6.45%	0.00%
All Others %	38.58%	49.38%	10.57%	1.21%	0.28%
I enjoy attending entertainment programs in my community.					
Your Community %	27.59%	37.93%	27.59%	6.90%	0.00%
All Others %	40.56%	47.65%	10.39%	1.07%	0.33%
Physical health programs such as exercise or yoga meet my needs.					
Your Community %	17.24%	51.72%	31.03%	0.00%	0.00%
All Others %	38.82%	47.41%	13.50%	1.90%	0.36%
I have opportunities to participate in volunteering activities.					
Your Community %	10.71%	50.00%	28.57%	10.71%	0.00%
All Others %	34.12%	52.85%	11.29%	1.44%	0.30%
Educational lectures, classes, and seminars meet my expectations.					
Your Community %	9.52%	14.29%	28.57%	47.62%	0.00%
All Others %	30.94%	48.32%	17.01%	3.15%	0.59%

Quality of my life here

Response	Your Community	All Others
Very satisfied	27.50%	57.23%
Satisfied	60.00%	38.31%
Neutral	12.50%	4.03%
Dissatisfied	0.00%	0.28%
Very dissatisfied	0.00%	0.15%



What residents say about quality of life

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The staff takes my opinions and suggestions seriously.					
Your Community %	11.11%	55.56%	22.22%	8.33%	2.78%
All Others %	32.43%	47.38%	15.84%	3.57%	0.78%
I have benefited from the things I have experienced and learned here.					
Your Community %	18.75%	59.38%	18.75%	3.13%	0.00%
All Others %	30.19%	49.90%	18.07%	1.50%	0.33%
I feel that I am treated like an individual here.					
Your Community %	25.71%	60.00%	11.43%	2.86%	0.00%
All Others %	45.80%	48.22%	4.89%	0.94%	0.34%
Staff treats me with the dignity and respect I deserve.					
Your Community %	32.43%	45.95%	16.22%	5.41%	0.00%
All Others %	52.35%	43.51%	3.11%	0.72%	0.31%
Staff is respectful of my privacy.					
Your Community %	35.00%	55.00%	7.50%	2.50%	0.00%
All Others %	52.85%	43.97%	2.49%	0.37%	0.31%
I feel safe in this community.					
Your Community %	38.46%	56.41%	2.56%	2.56%	0.00%
All Others %	63.27%	33.77%	2.23%	0.49%	0.25%

8. Comparing Mean Scores to Benchmarks

A recommended target 'mean score' is 4, representing a rating of 'good' overall for each characteristic. Increased percent differences of 5% or more are considered significant improvements. If your community's mean score is more than 5% below 'all others', target that area for Confidence Action Planning.

Question Text	Your Community	All Others	Percent Difference
Repairs are made promptly.	4.08	4.40	-7.95%
Staff is polite and courteous.	4.05	4.72	-16.60%
Reception staff is polite and courteous.	4.36	4.44	-1.90%
Reception staff is friendly and helpful to guests and visitors.	4.28	4.23	1.10%
Managers are responsive to my concerns.	3.80	4.27	-12.42%
Billing questions are handled promptly.	4.14	4.36	-5.46%
Community policies are consistently conveyed.	3.81	4.05	-6.31%
The staff takes my opinions and suggestions seriously.	3.64	4.07	-11.88%
Housekeeping	4.06	4.32	-6.40%
Staff	4.26	4.60	-7.84%
Billing services	4.28	4.41	-3.20%
Activity programs	3.97	4.37	-10.05%
Overall, good services are provided to me here.	4.20	4.52	-7.68%
I feel that my community has a high quality reputation compared to others.	3.87	4.40	-13.67%
The services I receive provide good value for fees I pay.	4.21	4.19	0.39%
I would recommend my community to others as a good place to live.	4.15	4.47	-7.61%
My community has a home-like environment.	3.82	4.29	-12.22%
Staff takes care of my requests promptly.	4.21	4.49	-6.69%
The Resident Council is effective in meeting my needs.	3.78	3.90	-3.19%
I enjoy socializing at group events (such as concerts, parties, and gatherings).	3.87	4.25	-9.75%
I enjoy attending entertainment programs in my community.	3.86	4.27	-10.57%
I have benefited from the things I have experienced and learned here.	3.94	4.08	-3.65%
I feel that I am treated like an individual here.	4.09	4.38	-7.16%
Staff treats me with the dignity and respect I deserve.	4.05	4.47	-10.23%
Staff is respectful of my privacy.	4.23	4.49	-6.20%
I feel safe in this community.	4.31	4.59	-6.62%
Move-in assistance met my needs.	3.74	4.30	-15.03%
The variety of activities offered	3.47	4.31	-24.32%
Parking accommodations	3.07	4.05	-31.66%
Physical health programs such as exercise or yoga meet my needs.	3.86	4.18	-8.34%
I have opportunities to participate in volunteering activities.	3.61	4.19	-16.18%
Educational lectures, classes, and seminars meet my expectations.	2.86	4.06	-42.06%
Amenities	3.64	4.33	-19.15%
The appearance of common areas are well maintained.	3.83	4.40	-15.13%

Question Text	Your Community	All Others	Percent Difference
Maintenance	4.18	4.36	-4.20%
Laundry	4.06	4.42	-8.90%
Outside grounds	3.89	4.43	-14.04%
Average:	3.93	4.33	-10.02%

Satisfaction Survey Open-Ended Comments

Please tell us what we do best here.

- Keep the building and grounds clean and looking good.
- I feel they keep putting off things that should be done around here. I know this building is 35 years old or more and my apartment certainly shows it.
- I need to fix my stove and toilet.
- The staff is doing a great job of meeting our needs. The community is quiet and nice. I think we are all blessed to be a part of this community. Thank you very much, may god bless you.
- Try hiring Marcia was a great move. She cares about us. And is doing a wonderful job.
- You have made my life easy.
- To put in the community room a walking path.
- When my wife management was very nice and thoughtful and caring. They've always been very nice to me.
- Cleanliness.
- To organize to learn English in our building. (2)
- When finished economic crisis would like next deals. Change white color walls in the room. Change gray carpet, dust collector.
- The staff is super.
- Answer all needs.
- Marcia is the best thing that you added here.
- This has been my first experience in community living. So far I cannot make a comparison with others. I do greatly appreciate and participate in what is offered. Especially the 5 day van service that offers transportation to hospitals, grocery stores, library, etc. around town.
- Cleans pretty well.
- Maggie is trained as social worker and perfect for this place.
- New staff at Walnut is great.
- Hiring full time person for Walnut. She is helpful, kind and courteous.
- Snow removal.
- Use carpet light tinge. It is very important to the condition of the residents. The bushes fence is not only a fence it is a calling card of the owner. It should look more attractive. Repairing the apartments plans to renovate the doors.
- Exercise, luncheon games, friendly.

- Keep it all running so smoothly. While I use both Jill and Anthony personally. This place is a whole lot calmer and less a gossip factory, since Tracy and Marsha arrived. It's nice not walking through a crisis en route to the laundry.

What do you think could be done to improve the quality of your community?

- The temp in my apartment averages 76 degrees in mid-winter with the window open in the bedroom. The temperature only drops to 70 degrees. I asked maintenance and they told me there is a base heat and a person cannot shut that off.
- Apartments should be painted properly and in a timely manner. Not once every ten or so years. Bathrooms should be upgraded. I feel bathrooms with showers should be replaced with shower stalls. Much safer for the elderly.
- Restrict smoking inside apartments. Smoke penetrates into other apartments and makes me and other elderly people to suffer asthma attacks and coughing. Too many people are smoking on the 3rd floor.
- Clean the hallways better and also the trash room needs to be washed down once in a while. Need to take care of upgrades in a timely manner.
- Everything is fine.
- A little more security, i.e., cameras.
- The staff at the main office are not warm and friendly. Replace them. Get the mail earlier.
- Better parking accommodations needed.
- Improve common areas.
- So far I have been very satisfied with my situation here and glad my children helped me make the decision to live here.
- New carpet in hallways, more yard work.
- Improve community room. Bring back TV. Heat is too high in the halls.
- Activities besides lunch once a month and bingo. We have many residents who do not speak English.
- Improve community room, new furniture, TV, etc.
- Replace bay windows.
- Replace Heidi Martin with a competent manager. She is lazy, ineffective and a sloppy dresser. Always looks a mess.
- Spray, use proper order for bugs. Smoke smells.
- Some lobby upgrades (community room as well). Please stop the cheap holiday decorations. It's embarrassing when the lobby looks like an orphanage. Less really is very often more.

Comparing your community to others, what makes your community stand out from all the rest?

- I really do not know about other communities.
- It does not stand out.
- Have no experiences with other places.
- Have nothing else to compare with. Do appreciate a nice place to live that I can afford and know you all try to make it as comfortable and nice as you can.
- My neighbors are some of the most caring people I've ever met.
- Location, location, location.
- Broken old kitchen furniture with mold on it. Other communities that I went to had it done.

- The people.
- I don't think we are anything above average.
- I had previously lived in Deerfield some time ago, and always like the area. Especially near the lake.
- Affluent.
- We have more perks.
- We are not the best. (2)
- Good.
- Vale, convenience and comfort level.

FRANK B PEERS

Balance Sheet

Month Ending 01/31/14

ASSETS

Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	35,051.88
1130-0000 - Tenant/member accounts receivable	2,069.00
1131-0000 - Accounts receivable - subsidy	6,319.00
1240-0000 - Prepaid property and liability insurance	9,493.31

Total Current Assets 53,233.19

Other Assets

1290-0000 - Misc Prepaid Expenses	832.10
1192-0000 - Tenant Sec Dep	23,666.84
1310-0000 - Real estate tax escrow	111,706.02
1311-0000 - Insurance escrow	22,646.38
1330-0000 - Debt Service Escrow	138,751.06
1140-0000 - Accounts Receivable - Other	3,284.36
1630-0000 - Utility Deposit - Gas	2,458.00
1320 - Replacement Reserve	164,239.41
1340 - Residual Receipt	31,875.01

Total Other Assets 499,459.18

Fixed Assets

1420-0000 - Building	1,848,860.15
1420-0001 - Building Improvements	86,413.87
1430-0000 - Land Improvements	1,622,807.79
1450-0000 - Furniture for project/tenant use	530,976.45
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(3,290,302.74)

Total Fixed Assets 970,974.29

Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(57,387.22)

Total Financing Costs 135,011.63

Partnership Assets

1701-0000 - Cash - Partnership	9,524.66
1702-0000 - Partnership MM	2,126,219.65
1703-0000 - Partnership Receivable	267,013.69

Total Partnership Assets 2,402,758.00

Total Assets

4,061,436.29

FRANK B PEERS
Balance Sheet
Month Ending 01/31/14

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	18,751.95
2113-0000 - Flex Benefit Payable	9.24
2120-0000 - Accrued wages and p/r taxes payable	4,142.68
2150-0000 - Accrued property taxes	124,770.65
2180-0000 - Misc current liabilities	12,773.05
Total Current Liabilities	<u>160,447.57</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(18,767.00)
2191-0000 - Security deposits-residential	16,667.00
2191-0001 - Pet Deposit	895.00
2210-0000 - Prepaid Rent	94.00
2211-0000 - Prepaid HUD	4,903.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,743,846.23
Total Non-Current Liabilities	<u>4,037,638.23</u>

Owner's Equity

3100-0000 - Limited Partners Equity	2,402,918.63
3209-0000 - Prior Year Retained Earnings	(2,597,065.06)
3210-0000 - Retained earnings	57,531.16
Current YTD Earnings	(34.24)
Total Owner's Equity	<u>(136,649.51)</u>

Total Liability & Owner Equity

4,061,436.29

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	21,130.00	19,861.00	1,269.00	21,130.00	19,861.00	1,269.00	238,332.00
5121-0000 - Tenant assistant payments	65,221.00	66,490.00	(1,269.00)	65,221.00	66,490.00	(1,269.00)	797,880.00
5140-0000 - Commercial base rent	434.33	60.00	374.33	434.33	60.00	374.33	720.00
TOTAL RESIDENTIAL RENTAL INCOME	86,785.33	86,411.00	374.33	86,785.33	86,411.00	374.33	1,036,932.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(2,519.00)	(2,167.00)	(352.00)	(2,519.00)	(2,167.00)	(352.00)	(26,000.00)
5221-0000 - Non-Revenue Units	(1,286.00)	(1,287.00)	1.00	(1,286.00)	(1,287.00)	1.00	(15,444.00)
TOTAL VACANCIES & ADJUSTMENTS	(3,805.00)	(3,454.00)	(351.00)	(3,805.00)	(3,454.00)	(351.00)	(41,444.00)
OTHER INCOME							
5910-0000 - Laundry income	472.50	167.00	305.50	472.50	167.00	305.50	2,004.00
5922-0000 - Late fees	19.00	5.00	14.00	19.00	5.00	14.00	60.00
5413-0000 - Interest income - escrow	0.00	1.00	(1.00)	0.00	1.00	(1.00)	12.00
TOTAL OTHER INCOME	491.50	173.00	318.50	491.50	173.00	318.50	2,076.00
GROSS OPERATING INCOME	83,471.83	83,130.00	341.83	83,471.83	83,130.00	341.83	997,564.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	25.00	25.00	0.00	25.00	25.00	300.00
6253-0000 - Credit Report Fees	10.38	28.00	17.62	10.38	28.00	17.62	336.00
TOTAL ADVERTISING & RENTING EXPENSE	10.38	53.00	42.62	10.38	53.00	42.62	636.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	369.69	300.00	(69.69)	369.69	300.00	(69.69)	3,600.00
6316-0000 - Office Equipment	359.35	200.00	(159.35)	359.35	200.00	(159.35)	2,400.00
6320-0000 - Management fee	4,754.35	4,444.00	(310.35)	4,754.35	4,444.00	(310.35)	53,328.00
6340-0000 - Legal Expense - Project	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6350-0000 - Audit Expense	0.00	2,300.00	2,300.00	0.00	2,300.00	2,300.00	13,800.00
6360-0000 - Telephone	530.92	708.00	177.08	530.92	708.00	177.08	8,496.00
6360-0001 - Answering Service/ Pagers	0.00	55.00	55.00	0.00	55.00	55.00	660.00
6365-0000 - Training & Education Expense	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6370-0000 - Bad debts	300.00	416.00	116.00	300.00	416.00	116.00	4,992.00
6380-0000 - Consulting/study costs	5,139.44	950.00	(4,189.44)	5,139.44	950.00	(4,189.44)	7,000.00
6390-0000 - Misc administrative expenses	1,335.67	150.00	(1,185.67)	1,335.67	150.00	(1,185.67)	1,800.00
6390-0002 - Computer Supplies/Data Processing	170.18	150.00	(20.18)	170.18	150.00	(20.18)	1,800.00
6395-0000 - Tenant Retention	811.60	500.00	(311.60)	811.60	500.00	(311.60)	7,000.00
6431-0000 - Travel & Expense Reimbursement	164.03	235.00	70.97	164.03	235.00	70.97	2,820.00
6860-0000 - Security Deposit Interest	(0.61)	0.00	0.61	(0.61)	0.00	0.61	0.00
TOTAL ADMINISTRATIVE EXPENSE	13,934.62	10,633.00	(3,301.62)	13,934.62	10,633.00	(3,301.62)	110,396.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	5,039.90	5,994.00	954.10	5,039.90	5,994.00	954.10	78,770.00
6510-0000 - Janitor and cleaning payroll	1,152.44	1,139.00	(13.44)	1,152.44	1,139.00	(13.44)	14,972.00
6540-0000 - Repairs payroll	5,110.91	3,807.00	(1,303.91)	5,110.91	3,807.00	(1,303.91)	49,490.00
6900-0000 - Social Service Coordinator	1,136.60	265.00	(871.60)	1,136.60	265.00	(871.60)	2,412.00
6715-0000 - Payroll Taxes	2,068.12	2,218.00	149.88	2,068.12	2,218.00	149.88	14,338.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6722-0000 - Workers compensation	316.93	316.00	(0.93)	316.93	316.00	(0.93)	3,792.00
6723-0000 - Employee health insurance	624.84	608.00	(16.84)	624.84	608.00	(16.84)	7,578.00
6724-0000 - Union Benefits	1,324.54	1,310.00	(14.54)	1,324.54	1,310.00	(14.54)	15,720.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	4,684.00
TOTAL PAYROLL & RELATED COSTS	16,774.28	15,657.00	(1,117.28)	16,774.28	15,657.00	(1,117.28)	191,756.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	467.90	300.00	(167.90)	467.90	300.00	(167.90)	3,600.00
6516-0000 - Bulbs & Tubes	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6518-0000 - Uniforms	0.00	500.00	500.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	105.00	115.00	10.00	105.00	115.00	10.00	1,380.00
6525-0000 - Rubbish removal	323.40	325.00	1.60	323.40	325.00	1.60	3,900.00
6490-0000 - Misc operating expenses	0.00	133.00	133.00	0.00	133.00	133.00	1,600.00
TOTAL OPERATING EXPENSES	896.30	1,473.00	576.70	896.30	1,473.00	576.70	13,680.00
UTILITIES							
6450-0000 - Electricity	1,711.92	1,666.00	(45.92)	1,711.92	1,666.00	(45.92)	20,000.00
6451-0000 - Water	2,700.22	700.00	(2,000.22)	2,700.22	700.00	(2,000.22)	8,400.00
6452-0000 - Gas	4,699.11	2,000.00	(2,699.11)	4,699.11	2,000.00	(2,699.11)	19,000.00
TOTAL UTILITIES	9,111.25	4,366.00	(4,745.25)	9,111.25	4,366.00	(4,745.25)	47,400.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	295.00	295.00	0.00	295.00	295.00	3,540.00
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	5,400.00
6541-0000 - Repair materials (general supplies)	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0002 - Plumbing Supplies	20.47	100.00	79.53	20.47	100.00	79.53	1,200.00
6541-0003 - Electrical Supplies	54.43	100.00	45.57	54.43	100.00	45.57	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0005 - Hand Tools	0.00	300.00	300.00	0.00	300.00	300.00	300.00
6541-0006 - Expendable Tools	0.00	400.00	400.00	0.00	400.00	400.00	400.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0009 - Window Supplies	0.00	200.00	200.00	0.00	200.00	200.00	200.00
6541-0010 - Carpentry/Hardware	161.26	60.00	(101.26)	161.26	60.00	(101.26)	720.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	967.61	290.00	(677.61)	967.61	290.00	(677.61)	3,480.00
6546-0000 - Heating/Cooling Contractor	1,025.73	215.00	(810.73)	1,025.73	215.00	(810.73)	2,580.00
6548-0000 - Snow removal	5,140.00	2,000.00	(3,140.00)	5,140.00	2,000.00	(3,140.00)	6,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	1,000.00	1,000.00	0.00	1,000.00	1,000.00	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	225.00	225.00	0.00	225.00	225.00	2,700.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6582-0000 - Fire Protection	0.00	410.00	410.00	0.00	410.00	410.00	4,920.00
6582-0001 - Fire Safety Equipment	0.00	500.00	500.00	0.00	500.00	500.00	6,000.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6590-0000 - Miscellaneous Repair	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6591-0000 - Electrical Repairs	0.00	310.00	310.00	0.00	310.00	310.00	3,720.00
6592-0000 - Boiler Repairs	0.00	500.00	500.00	0.00	500.00	500.00	6,000.00
6594-0000 - Carpentry Repairs	3,780.00	120.00	(3,660.00)	3,780.00	120.00	(3,660.00)	1,440.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6595-0000 - Plumbing Repairs	464.60	790.00	325.40	464.60	790.00	325.40	9,480.00
6596-0000 - Floor Repairs/Cleaning	850.00	150.00	(700.00)	850.00	150.00	(700.00)	1,800.00
6598-0000 - Roof Repairs	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
TOTAL MAINTENANCE EXPENSES	12,464.10	8,765.00	(3,699.10)	12,464.10	8,765.00	(3,699.10)	86,680.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	9,000.00	10,130.00	1,130.00	9,000.00	10,130.00	1,130.00	121,560.00
6720-0000 - Property and liability insurance	1,743.67	2,140.00	396.33	1,743.67	2,140.00	396.33	25,680.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	150.00
TOTAL TAXES AND INSURANCE	10,743.67	12,270.00	1,526.33	10,743.67	12,270.00	1,526.33	147,390.00
TOTAL OPERATING EXPENSES	63,934.60	53,217.00	(10,717.60)	63,934.60	53,217.00	(10,717.60)	597,938.00
NET OPERATING INCOME (LOSS)	19,537.23	29,913.00	(10,375.77)	19,537.23	29,913.00	(10,375.77)	399,626.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	19,656.04	19,700.00	43.96	19,656.04	19,700.00	43.96	232,840.00
7104-0000 - Replacement Reserve	1,916.99	1,864.00	(52.99)	1,916.99	1,864.00	(52.99)	22,368.00
7108-0000 - Mortgage Payable (long term)	10,831.50	10,778.00	(53.50)	10,831.50	10,778.00	(53.50)	132,902.00
TOTAL FINANCIAL EXPENSES	32,404.53	32,342.00	(62.53)	32,404.53	32,342.00	(62.53)	388,110.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(12,867.30)	(2,429.00)	(10,438.30)	(12,867.30)	(2,429.00)	(10,438.30)	11,516.00
NET INCOME (LOSS)	(12,867.30)	(2,429.00)	(10,438.30)	(12,867.30)	(2,429.00)	(10,438.30)	11,516.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	94.57	0.00	94.57	94.57	0.00	94.57	0.00
8010-0000 - Other Entity Expense	(10.00)	0.00	(10.00)	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	84.57	0.00	84.57	84.57	0.00	84.57	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(800,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	0.00	0.00	0.00	120,000.00
6991-0002 - Windows	0.00	0.00	0.00	0.00	0.00	0.00	650,000.00
6991-0004 - Furniture	0.00	1,000.00	1,000.00	0.00	1,000.00	1,000.00	1,000.00
6991-0013 - Landscape	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
6991-0016 - Concrete Repairs	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	0.00	0.00	0.00	600.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	0.00	650.00	650.00	36,500.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	1,650.00	1,650.00	0.00	1,650.00	1,650.00	11,300.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(12,782.73)	(4,079.00)	(8,703.73)	(12,782.73)	(4,079.00)	(8,703.73)	216.00

WALNUT PLACE
Balance Sheet
Month Ending 01/31/14

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	918.98
1130-0000 - Tenant/member accounts receivable	17,328.59
1131-0000 - Accounts receivable - subsidy	3,569.00
1240-0000 - Prepaid property and liability insurance	10,178.31
Total Current Assets	<u>32,894.88</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	1,043.37
1192-0000 - Tenant Sec Dep	21,737.08
1310-0000 - Real estate tax escrow	146,714.51
1311-0000 - Insurance escrow	24,129.91
1330-0000 - Debt Service Escrow	136,096.73
1320 - Replacement Reserve	187,337.34
1340 - Residual Receipt	27,094.73
Total Other Assets	<u>544,153.67</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1420-0001 - Building Improvements	23,774.27
1430-0000 - Land Improvements	321,376.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	426,635.94
1497-0000 - Site improvements	4,550.00
4120-0000 - Accum depr - buildings	(3,492,505.74)
1498-0000 - Current F/A	584.00
Total Fixed Assets	<u>765,688.03</u>

Financing Costs

1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(44,920.51)
Total Financing Costs	<u>129,892.52</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,604.51
Total Partnership Assets	<u>104,604.51</u>

Total Assets

1,577,233.61

WALNUT PLACE
Balance Sheet
Month Ending 01/31/14

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	28,255.69
2113-0000 - Flex Benefit Payable	9.24
2120-0000 - Accrued wages and p/r taxes payable	4,142.68
2150-0000 - Accrued property taxes	149,107.13
2155-0000 - Accrued professional services	11,214.00
2180-0000 - Misc current liabilities	3,695.91
Total Current Liabilities	<u>196,424.65</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(102.00)
2191-0000 - Security deposits-residential	19,041.00
2191-0001 - Pet Deposit	1,475.00
2210-0000 - Prepaid Rent	35.00
2211-0000 - Prepaid HUD	4,567.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	237,622.00
2320-0000 - Mortgage Payable (long term)	1,762,883.57
Total Non-Current Liabilities	<u>4,571,521.57</u>

Owner's Equity

3100-0000 - Limited Partners Equity	104,375.87
3209-0000 - Prior Year Retained Earnings	(3,362,358.17)
3210-0000 - Retained earnings	51,111.69
Current YTD Earnings	16,158.00
Total Owner's Equity	<u>(3,190,712.61)</u>

Total Liability & Owner Equity

1,577,233.61

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	19,070.00	19,360.00	(290.00)	19,070.00	19,360.00	(290.00)	232,320.00
5121-0000 - Tenant assistant payments	68,934.00	68,644.00	290.00	68,934.00	68,644.00	290.00	823,728.00
5140-0000 - Commercial base rent	288.56	0.00	288.56	288.56	0.00	288.56	0.00
TOTAL RESIDENTIAL RENTAL INCOME	88,292.56	88,004.00	288.56	88,292.56	88,004.00	288.56	1,056,048.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(835.00)	835.00	0.00	(835.00)	835.00	(10,020.00)
5221-0000 - Non-Revenue Units	(1,284.00)	(1,284.00)	0.00	(1,284.00)	(1,284.00)	0.00	(15,408.00)
TOTAL VACANCIES & ADJUSTMENTS	(1,284.00)	(2,119.00)	835.00	(1,284.00)	(2,119.00)	835.00	(25,428.00)
OTHER INCOME							
5910-0000 - Laundry income	751.50	250.00	501.50	751.50	250.00	501.50	3,000.00
5922-0000 - Late fees	40.00	10.00	30.00	40.00	10.00	30.00	120.00
5413-0000 - Interest income - escrow	0.00	1.00	(1.00)	0.00	1.00	(1.00)	12.00
TOTAL OTHER INCOME	791.50	261.00	530.50	791.50	261.00	530.50	3,132.00
GROSS OPERATING INCOME	87,800.06	86,146.00	1,654.06	87,800.06	86,146.00	1,654.06	1,033,752.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	25.00	25.00	0.00	25.00	25.00	300.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	0.00	30.00	30.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	55.00	55.00	0.00	55.00	55.00	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	372.39	300.00	(72.39)	372.39	300.00	(72.39)	3,600.00
6316-0000 - Office Equipment	359.35	200.00	(159.35)	359.35	200.00	(159.35)	2,400.00
6320-0000 - Management fee	4,534.40	4,457.00	(77.40)	4,534.40	4,457.00	(77.40)	53,484.00
6340-0000 - Legal Expense - Project	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6350-0000 - Audit Expense	0.00	1,083.00	1,083.00	0.00	1,083.00	1,083.00	12,996.00
6360-0000 - Telephone	766.30	790.00	23.70	766.30	790.00	23.70	9,480.00
6360-0001 - Answering Service/ Pagers	0.00	55.00	55.00	0.00	55.00	55.00	660.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	110.00	110.00	1,320.00
6370-0000 - Bad debts	0.00	583.00	583.00	0.00	583.00	583.00	6,996.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	0.00	0.00	3,500.00
6385-0000 - Temporary Help	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6390-0000 - Misc administrative expenses	0.00	160.00	160.00	0.00	160.00	160.00	1,920.00
6390-0002 - Computer Supplies/Data Processing	170.18	163.00	(7.18)	170.18	163.00	(7.18)	1,956.00
6395-0000 - Tenant Retention	770.60	400.00	(370.60)	770.60	400.00	(370.60)	7,000.00
6431-0000 - Travel & Expense Reimbursement	164.03	190.00	25.97	164.03	190.00	25.97	2,280.00
6860-0000 - Security Deposit Interest	(0.55)	0.00	0.55	(0.55)	0.00	0.55	0.00
TOTAL ADMINISTRATIVE EXPENSE	7,136.70	8,641.00	1,504.30	7,136.70	8,641.00	1,504.30	109,392.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	5,039.90	5,994.00	954.10	5,039.90	5,994.00	954.10	79,486.00
6510-0000 - Janitor and cleaning payroll	1,152.44	1,154.00	1.56	1,152.44	1,154.00	1.56	15,002.00
6540-0000 - Repairs payroll	5,110.91	3,807.00	(1,303.91)	5,110.91	3,807.00	(1,303.91)	49,490.00
6900-0000 - Social Service Coordinator	1,136.60	270.00	(866.60)	1,136.60	270.00	(866.60)	2,472.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	2,068.12	2,221.00	152.88	2,068.12	2,221.00	152.88	14,372.00
6722-0000 - Workers compensation	316.88	317.00	0.12	316.88	317.00	0.12	3,804.00
6723-0000 - Employee health insurance	624.84	388.00	(236.84)	624.84	388.00	(236.84)	4,830.00
6724-0000 - Union Benefits	1,324.54	1,310.00	(14.54)	1,324.54	1,310.00	(14.54)	15,720.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	4,733.00
TOTAL PAYROLL & RELATED COSTS	16,774.23	15,461.00	(1,313.23)	16,774.23	15,461.00	(1,313.23)	189,909.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	374.08	325.00	(49.08)	374.08	325.00	(49.08)	3,900.00
6516-0000 - Bulbs & Tubes	0.00	80.00	80.00	0.00	80.00	80.00	960.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6518-0000 - Uniforms	0.00	500.00	500.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	90.00	150.00	60.00	90.00	150.00	60.00	1,800.00
6525-0000 - Rubbish removal	323.40	360.00	36.60	323.40	360.00	36.60	4,320.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	0.00	50.00	50.00	600.00
TOTAL OPERATING EXPENSES	787.48	1,465.00	677.52	787.48	1,465.00	677.52	13,580.00
UTILITIES							
6450-0000 - Electricity	72.49	1,200.00	1,127.51	72.49	1,200.00	1,127.51	14,400.00
6451-0000 - Water	(985.02)	650.00	1,635.02	(985.02)	650.00	1,635.02	7,800.00
6452-0000 - Gas	0.00	2,000.00	2,000.00	0.00	2,000.00	2,000.00	24,000.00
TOTAL UTILITIES	(912.53)	3,850.00	4,762.53	(912.53)	3,850.00	4,762.53	46,200.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	335.00	335.00	0.00	335.00	335.00	4,020.00
6537-0000 - Grounds Contractor (Landscape)	0.00	0.00	0.00	0.00	0.00	0.00	5,280.00
6541-0000 - Repair materials (general supplies)	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0002 - Plumbing Supplies	20.46	200.00	179.54	20.46	200.00	179.54	2,400.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	85.00	85.00	0.00	85.00	85.00	1,020.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0009 - Window Supplies	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6541-0010 - Carpentry/Hardware	114.97	60.00	(54.97)	114.97	60.00	(54.97)	720.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
6546-0000 - Heating/Cooling Contractor	1,895.11	385.00	(1,510.11)	1,895.11	385.00	(1,510.11)	4,620.00
6548-0000 - Snow removal	9,445.00	2,000.00	(7,445.00)	9,445.00	2,000.00	(7,445.00)	8,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	660.00	660.00	0.00	660.00	660.00	7,920.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6564-0001 - Painting Supplies	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6582-0000 - Fire Protection	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
6582-0001 - Fire Safety Equipment	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6591-0000 - Electrical Repairs	1,897.91	300.00	(1,597.91)	1,897.91	300.00	(1,597.91)	3,600.00
6592-0000 - Boiler Repairs	767.69	400.00	(367.69)	767.69	400.00	(367.69)	4,800.00
6594-0000 - Carpentry Repairs	0.00	500.00	500.00	0.00	500.00	500.00	6,000.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6595-0000 - Plumbing Repairs	652.23	700.00	47.77	652.23	700.00	47.77	8,400.00
6596-0000 - Floor Repairs/Cleaning	175.00	100.00	(75.00)	175.00	100.00	(75.00)	1,200.00
6598-0000 - Roof Repairs	0.00	400.00	400.00	0.00	400.00	400.00	4,800.00
6599-0000 - Window repairs	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
TOTAL MAINTENANCE EXPENSES	14,968.37	7,600.00	(7,368.37)	14,968.37	7,600.00	(7,368.37)	84,980.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	10,000.00	11,300.00	1,300.00	10,000.00	11,300.00	1,300.00	135,600.00
6720-0000 - Property and liability insurance	2,035.67	2,140.00	104.33	2,035.67	2,140.00	104.33	25,680.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	150.00
TOTAL TAXES AND INSURANCE	12,035.67	13,440.00	1,404.33	12,035.67	13,440.00	1,404.33	161,430.00
TOTAL OPERATING EXPENSES	50,789.92	50,512.00	(277.92)	50,789.92	50,512.00	(277.92)	606,151.00
NET OPERATING INCOME (LOSS)	37,010.14	35,634.00	1,376.14	37,010.14	35,634.00	1,376.14	427,601.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	20,860.57	20,921.00	60.43	20,860.57	20,921.00	60.43	246,997.00
7104-0000 - Replacement Reserve	1,865.69	1,837.00	(28.69)	1,865.69	1,837.00	(28.69)	22,044.00
7108-0000 - Mortgage Payable (long term)	12,626.38	12,566.00	(60.38)	12,626.38	12,566.00	(60.38)	154,849.00
TOTAL FINANCIAL EXPENSES	35,352.64	35,324.00	(28.64)	35,352.64	35,324.00	(28.64)	423,890.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	1,657.50	310.00	1,347.50	1,657.50	310.00	1,347.50	3,711.00
NET INCOME (LOSS)	1,657.50	310.00	1,347.50	1,657.50	310.00	1,347.50	3,711.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	8.43	0.00	8.43	8.43	0.00	8.43	0.00
Total Partnership Activity	8.43	0.00	8.43	8.43	0.00	8.43	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(18,000.00)
6993-0000 - Appliance Replacement	584.00	0.00	(584.00)	584.00	0.00	(584.00)	0.00
6994-0000 - Carpet & tile	0.00	1,000.00	1,000.00	0.00	1,000.00	1,000.00	21,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	584.00	1,000.00	416.00	584.00	1,000.00	416.00	3,000.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	1,081.93	(690.00)	1,771.93	1,081.93	(690.00)	1,771.93	711.00

RAVINIA HOUSING
Balance Sheet
Month Ending 01/31/14

ASSETS

Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	570.82
1130-0000 - Tenant/member accounts receivable	46,049.00
1130-1000 - Allowance for Doubtful Accounts	(18,462.40)
1131-0000 - Accounts receivable - subsidy	1,811.00
1240-0000 - Prepaid property and liability insurance	4,813.69
1250-0000 - Prepaid Mortgage Insurance	152.30
Total Current Assets	35,084.41

Other Assets

1290-0000 - Misc Prepaid Expenses	316.72
1192-0000 - Tenant Sec Dep	8,486.63
1310-0000 - Real estate tax escrow	18,658.11
1311-0000 - Insurance escrow	7,005.89
1312-0000 - Mortgage Insurance Escrow	1,674.87
1350-0000 - Construction Escrow	16.44
1320 - Replacement Reserve	568,012.18
Total Other Assets	604,170.84

Fixed Assets

1420-0000 - Building	1,074,166.20
1420-0001 - Building Improvements	59,174.00
1430-0000 - Land Improvements	219,642.84
1450-0000 - Furniture for project/tenant use	372,400.44
1497-0000 - Site improvements	193,982.00
4120-0000 - Accum depr - buildings	(1,210,720.70)
1498-0000 - Current F/A	23,490.00
Total Fixed Assets	732,134.78

Financing Costs

1900-0001 - Deferred Financing Costs	62,658.71
1999-0000 - Accum Amort - Bond Costs	(1,915.30)
Total Financing Costs	60,743.41

Partnership Assets

1701-0000 - Cash - Partnership	81,852.51
1702-1000 - Partnership F/A	62,063.00
1703-0000 - Partnership Receivable	3,650.00
Total Partnership Assets	147,565.51

Total Assets

1,579,698.95

RAVINIA HOUSING
Balance Sheet
Month Ending 01/31/14

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	42,171.48
2113-0000 - Flex Benefit Payable	2.52
2114-0000 - 401K Payable	24.00
2120-0000 - Accrued wages and p/r taxes payable	1,129.82
2130-0000 - Accrued interest - mortgage	1,512.57
2131-0001 - Accrued Interest - 2nd Note	35,933.95
2131-1000 - Accrued Interest - Notes Payable	3,650.00
2150-0000 - Accrued property taxes	49,596.12
2180-0000 - Misc current liabilities	627.08

Total Current Liabilities 134,647.54

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	1,467.08
2191-0000 - Security deposits-residential	6,906.92
2210-0000 - Prepaid Rent	1,013.00
2211-0000 - Prepaid HUD	29.00
2310-1000 - Notes Payable - (Long Term)	62,062.71
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	403,351.02

Total Non-Current Liabilities 1,188,226.01

Owner's Equity

3100-0000 - Limited Partners Equity	144,465.21
3209-0000 - Prior Year Retained Earnings	160,730.61
3210-0000 - Retained earnings	(42,392.14)
Current YTD Earnings	(5,978.28)

Total Owner's Equity 256,825.40

Total Liability & Owner Equity 1,579,698.95

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	8,346.00	6,300.00	2,046.00	8,346.00	6,300.00	2,046.00	75,600.00
5121-0000 - Tenant assistant payments	13,628.00	15,674.00	(2,046.00)	13,628.00	15,674.00	(2,046.00)	188,088.00
TOTAL RESIDENTIAL RENTAL INCOME	21,974.00	21,974.00	0.00	21,974.00	21,974.00	0.00	263,688.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(2,668.00)	(1,200.00)	(1,468.00)	(2,668.00)	(1,200.00)	(1,468.00)	(3,600.00)
TOTAL VACANCIES & ADJUSTMENTS	(2,668.00)	(1,200.00)	(1,468.00)	(2,668.00)	(1,200.00)	(1,468.00)	(3,600.00)
OTHER INCOME							
5922-0000 - Late fees	25.00	0.00	25.00	25.00	0.00	25.00	0.00
5413-0000 - Interest income - escrow	52.90	37.00	15.90	52.90	37.00	15.90	444.00
TOTAL OTHER INCOME	77.90	37.00	40.90	77.90	37.00	40.90	444.00
GROSS OPERATING INCOME	19,383.90	20,811.00	(1,427.10)	19,383.90	20,811.00	(1,427.10)	260,532.00
ADVERTISING & RENTING EXPENSE							
6250-0000 - Renting expenses	28.00	60.00	32.00	28.00	60.00	32.00	720.00
TOTAL ADVERTISING & RENTING EXPENSE	28.00	60.00	32.00	28.00	60.00	32.00	720.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	512.49	521.00	8.51	512.49	521.00	8.51	6,252.00
6320-0000 - Management fee	627.08	765.00	137.92	627.08	765.00	137.92	9,180.00
6340-0000 - Legal Expense - Project	0.00	170.00	170.00	0.00	170.00	170.00	2,040.00
6350-0000 - Audit Expense	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
6365-0000 - Training & Education Expense	0.00	30.00	30.00	0.00	30.00	30.00	360.00
6370-0000 - Bad debts	0.00	433.00	433.00	0.00	433.00	433.00	5,196.00
6390-0000 - Misc administrative expenses	156.87	180.00	23.13	156.87	180.00	23.13	2,160.00
6390-0002 - Computer Supplies/Data Processing	76.20	0.00	(76.20)	76.20	0.00	(76.20)	0.00
6860-0000 - Security Deposit Interest	(0.21)	0.00	0.21	(0.21)	0.00	0.21	0.00
TOTAL ADMINISTRATIVE EXPENSE	1,372.43	2,099.00	726.57	1,372.43	2,099.00	726.57	35,188.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,374.53	1,800.00	425.47	1,374.53	1,800.00	425.47	21,600.00
6510-0000 - Janitor and cleaning payroll	1,708.20	1,465.00	(243.20)	1,708.20	1,465.00	(243.20)	17,580.00
6900-0000 - Social Service Coordinator	309.97	0.00	(309.97)	309.97	0.00	(309.97)	0.00
6715-0000 - Payroll Taxes	563.96	330.00	(233.96)	563.96	330.00	(233.96)	3,960.00
6722-0000 - Workers compensation	87.77	88.00	0.23	87.77	88.00	0.23	1,056.00
6723-0000 - Employee health insurance	253.41	173.00	(80.41)	253.41	173.00	(80.41)	2,076.00
6724-0000 - Union Benefits	361.27	378.00	16.73	361.27	378.00	16.73	4,536.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	1,277.00
TOTAL PAYROLL & RELATED COSTS	4,659.11	4,234.00	(425.11)	4,659.11	4,234.00	(425.11)	52,085.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	108.35	220.00	111.65	108.35	220.00	111.65	2,640.00
6520-0000 - Miscellaneous Repair Contractors	10,686.94	2,400.00	(8,286.94)	10,686.94	2,400.00	(8,286.94)	28,800.00
6525-0000 - Rubbish removal	478.47	500.00	21.53	478.47	500.00	21.53	6,000.00
6530-0000 - Security Contract	0.00	200.00	200.00	0.00	200.00	200.00	2,400.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/14			Year To Date 01/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
TOTAL OPERATING EXPENSES	11,273.76	3,320.00	(7,953.76)	11,273.76	3,320.00	(7,953.76)	39,840.00
UTILITIES							
6450-0000 - Electricity	272.76	250.00	(22.76)	272.76	250.00	(22.76)	3,000.00
6451-0000 - Water	24.00	100.00	76.00	24.00	100.00	76.00	1,200.00
6452-0000 - Gas	126.30	75.00	(51.30)	126.30	75.00	(51.30)	900.00
6453-0000 - Sewer	0.00	50.00	50.00	0.00	50.00	50.00	600.00
TOTAL UTILITIES	423.06	475.00	51.94	423.06	475.00	51.94	5,700.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	3,500.00	3,789.00	289.00	3,500.00	3,789.00	289.00	44,841.00
6720-0000 - Property and liability insurance	962.33	1,962.00	999.67	962.33	1,962.00	999.67	12,973.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	50.00
TOTAL TAXES AND INSURANCE	4,462.33	5,751.00	1,288.67	4,462.33	5,751.00	1,288.67	57,864.00
TOTAL OPERATING EXPENSES	22,218.69	15,939.00	(6,279.69)	22,218.69	15,939.00	(6,279.69)	191,397.00
NET OPERATING INCOME (LOSS)	(2,834.79)	4,872.00	(7,706.79)	(2,834.79)	4,872.00	(7,706.79)	69,135.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	2,997.84	1,513.00	(1,484.84)	2,997.84	1,513.00	(1,484.84)	18,001.00
6850-0000 - Mortgage Service Fee	152.25	136.00	(16.25)	152.25	136.00	(16.25)	1,808.00
7104-0000 - Replacement Reserve	1,333.33	1,334.00	0.67	1,333.33	1,334.00	0.67	16,008.00
7108-0000 - Mortgage Payable (long term)	595.54	596.00	0.46	595.54	596.00	0.46	7,297.00
TOTAL FINANCIAL EXPENSES	5,078.96	3,579.00	(1,499.96)	5,078.96	3,579.00	(1,499.96)	43,114.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(7,913.75)	1,293.00	(9,206.75)	(7,913.75)	1,293.00	(9,206.75)	26,021.00
NET INCOME (LOSS)	(7,913.75)	1,293.00	(9,206.75)	(7,913.75)	1,293.00	(9,206.75)	26,021.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	6.60	0.00	6.60	6.60	0.00	6.60	0.00
Total Partnership Activity	6.60	0.00	6.60	6.60	0.00	6.60	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	(60,000.00)	(60,000.00)	0.00	(60,000.00)	(60,000.00)	(80,000.00)
6991-0000 - Capital expenditures	23,490.00	60,000.00	36,510.00	23,490.00	60,000.00	36,510.00	80,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	23,490.00	0.00	(23,490.00)	23,490.00	0.00	(23,490.00)	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(31,397.15)	1,293.00	(32,690.15)	(31,397.15)	1,293.00	(32,690.15)	26,021.00

Sunset Woods Housing
Balance Sheet
January 31, 2014

ASSETS

Current Assets	
Assn FBHP Checking	\$ 9,201.90
FBHP General Checking	35,822.02
FBHP Security Dep. Savings	10,513.84
Assn FBHP Savings	128,713.67
FBHP Savings	9,126.25
Financing Costs	8,135.00
Tax Reserve	5,961.88
Accounts Receivable	<u>198.00</u>
 Total Current Assets	 207,672.56
Property and Equipment	
Building	1,552,988.40
Building Unit 231	135,000.32
Building Unit 319	134,999.62
Accum Dep Building	(397,956.00)
Accum Amort-Financing Fees	<u>(678.00)</u>
 Total Property and Equipment	 1,424,354.34
Other Assets	
 Total Other Assets	 <u>0.00</u>
 Total Assets	 <u><u>\$ 1,632,026.90</u></u>

LIABILITIES AND CAPITAL

Current Liabilities	
Due to Peers Housing Assn	\$ 258,832.40
Accrued RE Tax	12,784.40
Accrued RE Taxes Assn	6,434.84
Security Deposits	<u>9,585.00</u>
 Total Current Liabilities	 287,636.64
Long-Term Liabilities	
Notes Payable, Lake Co	72,231.18
Notes Payable, FHLB	429,416.31
Notes Payable, IHDA	<u>139,219.60</u>
 Total Long-Term Liabilities	 <u>640,867.09</u>
 Total Liabilities	 928,503.73
Capital	
Equity-Retained Earnings	699,984.76
Net Income	<u>3,538.41</u>
 Total Capital	 <u>703,523.17</u>
 Total Liabilities & Capital	 <u><u>\$ 1,632,026.90</u></u>

Sunset Woods Housing
Income Statement
Compared with Budget
For the One Month Ending January 31, 2014

	Current Month Actual	Current Month Budget	Current Month	Year to Date Actual	Year to Date Budget	Year to Date
Revenues						
Rents	\$ 9,364.00	\$ 8,715.00	649.00	\$ 9,364.00	\$ 8,715.00	649.00
Interest Income Assn	40.49	0.00	40.49	40.49	0.00	40.49
Total Revenues	9,404.49	8,715.00	689.49	9,404.49	8,715.00	689.49
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	9,404.49	8,715.00	689.49	9,404.49	8,715.00	689.49
Expenses						
Office Supplies	11.50	8.00	3.50	11.50	8.00	3.50
Management Fee	598.19	567.00	31.19	598.19	567.00	31.19
Legal and Accounting Assn	300.00	0.00	300.00	300.00	0.00	300.00
Credit Ck Fees	0.00	4.00	(4.00)	0.00	4.00	(4.00)
Government Fees	0.00	95.00	(95.00)	0.00	95.00	(95.00)
Carpet Cleaning	0.00	83.00	(83.00)	0.00	83.00	(83.00)
Heating & Air	0.00	41.00	(41.00)	0.00	41.00	(41.00)
Electrical & Plumbing Maint	0.00	41.00	(41.00)	0.00	41.00	(41.00)
Painting & Decorating	0.00	83.00	(83.00)	0.00	83.00	(83.00)
Appliance Repairs	219.00	41.00	178.00	219.00	41.00	178.00
Supplies	35.10	42.00	(6.90)	35.10	42.00	(6.90)
Maintenance	0.00	42.00	(42.00)	0.00	42.00	(42.00)
Security	0.00	8.00	(8.00)	0.00	8.00	(8.00)
Condo Assessment Rental Units	2,496.06	3,166.00	(669.94)	2,496.06	3,166.00	(669.94)
Cable TV	540.00	583.00	(43.00)	540.00	583.00	(43.00)
Real Estate tax expense	0.00	1,167.00	(1,167.00)	0.00	1,167.00	(1,167.00)
Loan Interest	1,666.23	2,500.00	(833.77)	1,666.23	2,500.00	(833.77)
Bldg Insurance	0.00	217.00	(217.00)	0.00	217.00	(217.00)
Total Expenses	5,866.08	8,688.00	(2,821.92)	5,866.08	8,688.00	(2,821.92)
Net Income	\$ 3,538.41	\$ 27.00	3,511.41	\$ 3,538.41	\$ 27.00	3,511.41

Sunset Woods Housing
Account Register
For the Period From Jan 1, 2014 to Jan 31, 2014
1103M13 - FBHP General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			32,707.87
1/1/14	1/1/14	Deposit	Tenant	274.00		32,981.87
		Deposit	Tenant	241.00		33,222.87
		Deposit	Tenant	650.00		33,872.87
		Deposit	Tenant	585.00		34,457.87
		Deposit	Tenant	649.00		35,106.87
		Deposit	Tenant	534.00		35,640.87
		Deposit	Tenant	1,761.00		37,401.87
		Deposit	Tenant	247.00		37,648.87
		Deposit	Tenant	395.00		38,043.87
1/1/14	1558	Withdrawal	Sunset Woods Condominium Assoc		3,036.06	35,007.81
1/1/14	loan1401	Other	ihda/auto pymt		100.00	34,907.81
1/6/14	1/8/14	Deposit	Tenant	795.00		35,702.81
		Deposit	Tenant	159.00		35,861.81
		Deposit	Tenant	204.00		36,065.81
		Deposit	Tenant	269.00		36,334.81
		Deposit	Tenant	419.00		36,753.81
		Deposit	Tenant	320.00		37,073.81
		Deposit	Tenant	423.00		37,496.81
		Deposit	Tenant	269.00		37,765.81
		Deposit	Tenant	835.00		38,600.81
		Deposit	Tenant	390.00		38,990.81
		Deposit	Tenant	223.00		39,213.81
1/10/14	1559	Withdrawal	Housing Opportunity Dev. Corp.		11.50	39,202.31
1/13/14	1/16/14	Deposit	Tenant	854.00		40,056.31
1/26/14	loan1401	Other	FBHP/auto pymt		3,382.00	36,674.31
1/28/14	1560	Withdrawal	U & E Service		149.00	36,525.31
1/28/14	1561	Withdrawal	Housing Opportunity Dev. Corp.		598.19	35,927.12
1/28/14	1562	Withdrawal	RC Paint & Home Improvements		70.00	35,857.12
1/30/14	1563	Withdrawal	Housing Opportunity Dev. Corp.		35.10	35,822.02
			Total	10,496.00	7,381.85	

Sunset Woods -January 31, 2014

Ending balance checking	\$	36,674
Ending balance operating reserve	\$	<u>9,129</u>
TOTAL	\$	45,803

SWA Rental
Balance Sheet
January 31, 2014

ASSETS

Current Assets		
FBHP Checking	\$ 22,530.61	
FBHP Security Dep Savings	2,222.65	
A/R, Transfers	<u>10.00</u>	
 Total Current Assets		 24,763.26
Property and Equipment		
		<u>0.00</u>
 Total Property and Equipment		 0.00
Other Assets		
		<u>0.00</u>
 Total Other Assets		 0.00
 Total Assets		 <u>\$ 24,763.26</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Security Deposits	\$ 2,123.00	
 Total Current Liabilities		 2,123.00
Long-Term Liabilities		
		<u>0.00</u>
 Total Long-Term Liabilities		 0.00
 Total Liabilities		 2,123.00
Capital		
Equity-Retained Earnings	21,354.43	
Net Income	<u>1,285.83</u>	
 Total Capital		 <u>22,640.26</u>
 Total Liabilities & Capital		 <u>\$ 24,763.26</u>

SWA Rental
Income Statement
Compared with Budget
For the One Month Ending January 31, 2014

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 2,123.00	\$ 0.00	2,123.00	\$ 2,123.00	\$ 0.00	2,123.00
Total Revenues	2,123.00	0.00	2,123.00	2,123.00	0.00	2,123.00
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	2,123.00	0.00	2,123.00	2,123.00	0.00	2,123.00
Expenses						
Management Fee	137.99	0.00	137.99	137.99	0.00	137.99
Condo Asst Rental Units	609.18	0.00	609.18	609.18	0.00	609.18
Cable TV	90.00	0.00	90.00	90.00	0.00	90.00
Total Expenses	837.17	0.00	837.17	837.17	0.00	837.17
Net Income	\$ 1,285.83	\$ 0.00	1,285.83	\$ 1,285.83	\$ 0.00	1,285.83

SWA Rental
Account Register
 For the Period From Jan 1, 2014 to Jan 31, 2014
 1103M14 - FBHP Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			21,254.78
1/1/14	1086	Withdrawal	Sunset Woods Condominium Assoc		709.18	20,545.60
1/6/14	1/8/14	Deposit	Tenant	1,090.00		21,635.60
		Deposit	Tenant	1,033.00		22,668.60
1/28/14	1087	Withdrawal	Housing Opportunity Developmen		137.99	22,530.61
			Total	2,123.00	847.17	