



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: John A. Schneider, MPA, Community Development Manager

FROM: Kelly H. Mierkowski, Manager, Grants Management Division

DATE: March 23, 2018

SUBJECT: **A RESOLUTION APPROVING CERTAIN HOME INVESTMENT PARTNERSHIP PROGRAM LOAN DOCUMENTS BETWEEN THE CITY OF URBANA AND BRISTOL PLACE RESIDENCES, LP.**

Description

Included on the agenda of the March 27, 2018 Urbana Community Development Commission meeting is a Resolution approving HOME Investment Partnerships Program (HOME) loan documents between the City of Urbana and Bristol Place Residences, LP.

Issue

The issue before the Community Development Commission is to recommend whether or not the Urbana City Council should approve HOME loan documents, including a rental housing developer agreement, with Bristol Place Residences, LP.

Background

Bristol Place is a proposed 90-unit mixed-income rental housing development that the Illinois Housing Development Authority (IHDA) approved for Low-Income Housing Tax Credits (LIHTC) on October 23, 2017. The recent LIHTC approval was an important breakthrough that has allowed this development to proceed. According to the developers' pro forma, the LIHTC provide \$15,298,605 in financing of the \$23,854,199 of permanent financing needed to complete the project.

To fill part of the remaining funding gap, Bristol Place Residences, LP requested \$415,452 in HOME Investment Partnerships Program (HOME) funds from the Urbana HOME Consortium (Consortium). The total amount of each annual allocation of HOME funds distributed to the Consortium by the U.S. Department of Housing and Urban Development (HUD) is split proportionately among the City of Urbana, City of Champaign, and unincorporated Champaign County. However, as the lead entity of the HOME Consortium, the City of Urbana is responsible for oversight of HOME funds utilized by the Consortium. All HOME funding used to support this development originates from the City of Champaign's proportion of HOME funds from the FY 2016-2017, FY 2017-2018, and pre-award FY 2018-2019 funds.

The balance of financing for the development is provided through multiple sources as follows: 1) a construction loan, 2) a loan from the Illinois Infrastructure Fund (IFF), 3) a loan from Freddie Mac, funding from the Federal Home Loan Bank of Chicago's Affordable Housing Program, 4) funding from the Housing Authority of Champaign County, and 5) donation tax credits. The Housing Authority of Champaign County has also pledged to provide project-based vouchers to 84 of the 90 units in the development, which will mean that each of those 84 units must be rented to low-income households. At least five of the remaining units will be leased at market rates, and one unit may be used for on-site management.

Discussion

The proposed HOME funding will be used to fund the construction of two new HOME-assisted units in the development. Upon completion, these "floating" HOME units will be subject to restrictions on affordability, property maintenance, occupancy, and other factors during the HUD-mandated 20-year affordability period. The two units will not be tied to a physical location in the project, but must be similar in every way to comparably sized non-HOME assisted units in the development. The developer is aware of these restrictions and is familiar with the proper use of HOME funds.

These HOME funds are critical to the project and provide the development team with the capacity to construct the Bristol Park project. Since the developer's financing budget is tight, these funds are essential to the success of the project and enable the developers to complete the Bristol Park redevelopment.

Among the loan documents proposed for execution with the developer are a rental housing developer agreement, which is the primary agreement, as well as a land use restriction agreement, which contains the HOME affordability and compliance restrictions and will be recorded against the property together with a mortgage and promissory note. The mortgage and note will allow the Urbana HOME Consortium to maintain a legal interest in the parcels. Additional documents to subordinate the City's loan position will likely need to be included at a later time, but the form of those agreements has not been established yet. The draft documents are attached to this memorandum, and are currently undergoing legal review by the City of Urbana and the developer.

Goals and Objectives

The Bristol Park redevelopment site is referred to in the FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan as a target area. The use of these funds for the project will help to fulfill the City of Champaign's stated desire in the Consolidated Plan for redevelopment of the area, and will leverage additional private-sector funds to complete the redevelopment, which is a goal of the HOME program.

Recent amendments to the FY 2016-2017 and FY 2017-2018 Annual Action Plans that permit funding for the Bristol Park redevelopment were approved by the Urbana City Council through Resolution #2017-12-078R, while a mini-action plan has been developed to obtain access to FY 2018-2019 pre-award funds for the project, and it was approved by the Urbana City Council through Resolution #2017-12-079R.

Options

The options for the Community Development Commission are to:

1. Forward the Resolution authorizing the execution of loan documents with Bristol Place Residences, LP, to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend approval to the Urbana City Council of the Resolution.

Fiscal Impacts

There will be no fiscal impact on the City General Fund, as the \$415,452 in HOME proposed to be provided to Bristol Place Residences, LP through these agreements would consist of Federal grant funding allocated to the City of Champaign for HOME eligible projects. No funding allocated to the City of Urbana will be used in this agreement, and no activities undertaken in Urbana will be affected by this commitment in any way. The commitment of HOME funds to this project is also critical to meeting the current HOME commitment requirement by July 31, 2018. Funds not committed by July 31, 2018 would be in danger of being retracted by HUD.

Programmatic Impacts

Construction of affordable housing at the Bristol Park site has been a goal of the City of Champaign for many years and that goal has been expressed in various Urbana HOME Consortium documents, including the FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan, as well in associated annual action plans. The need for affordable housing is significant in both the City of Urbana and the City of Champaign. The addition of affordable housing in Champaign will help to decrease the demand for affordable rental units in both communities and help to provide decent, safe, and affordable housing to low-/moderate-income households in the community.

Recommendations

Staff recommends that the Community Development Commission forward the Resolution to the Urbana City Council with a recommendation for approval.

Prepared by:



Matthew Rejc, AICP
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING CERTAIN HOME INVESTMENT PARTNERSHIP PROGRAM LOAN DOCUMENTS BETWEEN THE CITY OF URBANA AND BRISTOL PLACE RESIDENCES, LP.
2. A Rental Housing Developer Agreement between the City of Urbana and Bristol Place Residences, LP along with associated loan documents

RESOLUTION NO. _____

A RESOLUTION APPROVING CERTAIN HOME INVESTMENT PARTNERSHIP PROGRAM LOAN DOCUMENTS BETWEEN THE CITY OF URBANA AND BRISTOL PLACE RESIDENCES, LP.

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached rental housing developer agreement, land use restriction agreement, mortgage, and promissory note, as well as subordination agreements as applicable (collectively the "Loan Documents") is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2015-2019 Consolidated Plan*.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Urbana City Council hereby approves the attached Loan Documents in substantially the same form as attached hereto.

Section 2. That Loan Documents providing up to \$415,452 in HOME Program funds, for the creation of two (2) affordable rental units, between the City of Urbana, on behalf of the Urbana HOME Consortium, and Bristol Place Residences, LP., in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 3. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Loan Documents as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor

This instrument was prepared by:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

RENTAL HOUSING DEVELOPER AGREEMENT

This Rental Housing Developer Agreement is made between **Bristol Place Residences, LP**, an Illinois limited partnership ("Borrower"), and the **City of Urbana**, Illinois, a municipal corporation of the State of Illinois ("Lender"), each a "party" and together the "parties," and is effective on the last date signed by a party hereto.

BACKGROUND

The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. 12701, *et seq.* (the "National Affordable Housing Act"), which created the HOME Investment Partnerships Program ("HOME Program") to provide funds to state and local governments for affordable housing assistance that is most appropriate for local needs.

The City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by the U. S. Department of Housing and Urban Development ("HUD") for purposes of receiving HOME funds in the name of the Urbana HOME Investment Partnerships Consortium (the "HOME Consortium") under provisions of Title II of the National Affordable Housing Act.

The Borrower desires to serve as an owner, borrower, and developer of an affordable rental housing development within the City of Champaign.

The Lender, as a member of the Urbana HOME Consortium, has authority under the provisions of the HOME Program to provide financial assistance for the development of a mixed-income, affordable residential rental development.

The Borrower has submitted a proposal to the Lender for assistance to construct a number of affordable rental dwelling units (the "Project") on a property (the "Property") commonly known as Bristol Place, and more particularly described in the legal description attached as Exhibit A.

The Lender has reviewed said proposal and has conducted an evaluation of said Project, including a comprehensive review of the site and building plans that will achieve the minimum property standard, as established by the Lender, as part of said Project and an estimated total cost of said Project.

The Lender has determined that the Project is eligible for funding under the HOME Program.

The Borrower has been fully informed regarding any and all requirements, and obligations that must be met by the Project in order to utilize HOME Program funds, including but not limited to the requirement that, after construction, the dwelling unit(s) must remain affordable to low-income households (80% of area median income as established by HUD) for a period of 20 years from the date the Project has achieved full initial occupancy, in accordance with 24 CFR Part 92, Sections 92-203 and 92-251 through and including 92-253.

The Borrower, after said evaluation and assessment of the Project by the Lender, and having been fully informed regarding the requirements of the HOME Program, is committed to commencing construction of said Project on or before June 30, 2018, and with the assistance of HOME Program funds, completing construction on or before June 30, 2018, in accordance with the Scope of Services/Project Description attached as Exhibit B and the Project Completion Schedule attached as Exhibit C. The Borrower has made necessary arrangements to provide any required matching private contribution towards the cost of said Project.

The loan is evidenced, secured, and governed by, among other things: (a) a Promissory Note ("Note"); (b) the Mortgage of even date herewith executed by the Borrower and recorded in the Champaign County Recorder's Office ("Mortgage"); (c) this agreement, such agreement being on file at the offices of the Lender; and (d) a Regulatory and Land Use Restriction Agreement.

Therefore, the parties agree as follows.

1. **Use of HOME Funds.** The Lender shall lend the Borrower an amount not to exceed **\$415,452** (\$12,389 from the Lender's federal Fiscal Year 2016/17 HOME PROGRAM allocation, \$245,616 from its federal Fiscal Year 2017/18 HOME PROGRAM allocation, and \$157,447 from its federal Fiscal Year 2018/19 Pre-award HOME PROGRAM allocation) to assist with the construction of **two** affordable rental dwelling units (the "City HOME Assisted Units") out of a total of 90 dwelling units in the Project that will be assisted with HOME funds on the Property. The Borrower shall comply with the following requirements:

- A. Complete work on the Project in accordance with the following documents:
 - (1) Scope of Work/Project Description including the schedule attached as Exhibit B.
 - (2) The Budget, attached as Exhibit C.
 - (3) The plans, drawings, and specifications, as submitted to, and after the date hereof, approved by the City of Champaign.

- B. After the date hereof, secure legal possession of the Property by means of fee simple title.

2. **HOME Project Requirements.** The Borrower shall comply with all income determinations and affordability requirements of the HOME Program for each City HOME Assisted Unit described in subsection D of this section, as set forth in 24 CFR 92.203 and 92.252, as amended. The Borrower shall determine whether each family is income eligible by determining the family’s annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The City HOME Assisted Units in a rental housing project must be occupied only by households that are eligible as low-income families (80% of area median income as established by HUD) and must meet the affordability requirements as described more fully in 24 CFR 92.252(e). The gross annual household income of initial occupants of any CITY HOME ASSISTED UNIT must not exceed sixty percent (60%) of area median income as established by HUD.

- A. **Affordability Period:** For **twenty (20)** years following Project completion in HUD’s Integrated Disbursement and Information System (“the Affordability Period”), the Borrower shall restrict the use of the City HOME Assisted Units to affordable housing.
- B. **Maximum Tenant Income:** The maximum income for households residing in the City HOME Assisted Units cannot exceed eighty percent (80%) of the area median income, adjusted by family size, as defined annually by HUD. The gross annual household income of initial occupants of any CITY HOME ASSISTED UNIT must not exceed sixty percent (60%) of area median income as established by HUD.
- C. **Rent Limitations:** The gross rent for all City HOME Assisted Units (base rent plus applicable utility allowance computed in accordance with Section 42 of the Internal Revenue Code, 26 U.S.C. Section 42, and applicable HOME regulations, as amended, and defined by the Urbana HOME Consortium) cannot exceed the maximum High HOME Rents as published annually by HUD, and issued annually by the Lender. The initial monthly rent for each unit cannot exceed:

# of Bedrooms	High HOME Rents	Low HOME Rents
1	\$668	\$668
2	\$829	\$810
3	\$1,041	\$935

- (1) The Borrower must obtain permission from the Lender prior to changing the monthly rent at the City HOME Assisted Units. The Borrower must provide tenants of those units no fewer than 30 days’ prior written notice before implementing any increase in rents.
- (2) Due to the use of 9% Low-Income Housing Tax Credit (“LIHTC”), the Low HOME rent limits for the City HOME Assisted Units are subject to the lesser of the Low HOME rent or tax credit limit, while the High HOME rent limits for the City HOME Assisted Units are subject to the lesser of the High HOME rent or tax credit limit.

D. City HOME Assisted Unit Designation: The parties have designated two floating units as the CITY HOME ASSISTED UNITS. The units that are designated as the CITY HOME ASSISTED UNITS may change over time, as long as the total number of CITY HOME ASSISTED UNITS is no greater or less than two (2) at any given time. The CITY HOME ASSISTED UNITS shall be three-bedroom units. BORROWER must ensure that the CITY HOME ASSISTED UNITS remain comparable to the non-assisted units over the affordability period in terms of size and features included in other three-bedroom units.

- (1) Increases in Tenant Income: When the income of a tenant occupying a Low HOME rent unit increases over 50 percent of the area median income, but does not exceed 80 percent of the area median income, the unit that is occupied by the over-income tenant is considered a Low HOME rent unit until a comparable unit can be substituted. The rent of the tenant whose income has gone above 50 percent of area median income must not exceed the Low HOME rent limit while the unit has a Low HOME rent unit designation. To restore compliance, the BORROWER must rent the next available High HOME rent unit to a very low-income tenant. The unit is redesignated as a Low HOME rent unit. Once this unit has been redesignated as a Low HOME rent unit, the unit with the over-income tenant may be redesignated as a High HOME unit, and the tenant's rent may be increased up to the High HOME rent limit for the unit. This process should not increase the number of assisted units. When a tenant's income increases above 80 percent of the area median income, the tenant's rent must be adjusted so that the over-income tenant pays 30 percent of its adjusted income for rent and utilities; rent is capped at market rent for comparable, unassisted units in the neighborhood in projects with floating HOME units. If the loan is being made available for units that have been allocated a low-income housing tax credit by the State Housing Finance Agency pursuant to Section 42 of the Internal Revenue Code, and if and so long as applicable regulations under the HOME Program allow an exemption, such rental increase requirements will defer to the requirements of the low-income housing tax credit. This rule only applies to over-income tenants in existing assisted units. BORROWER may not defer to LIHTC rents in HOME units when initially developing assisted units. When tenants receive additional subsidy through rental assistance programs such as Section 8, HOME requirements shall be followed, which allow the rent to be raised to the rental assistance program limit only if the tenant pays no more than 30% of adjusted income, the subsidy is project-based (not tenant-based), and the tenant's income is less than 50% of the area median income.
- (2) Leasing: All leases between the Borrower and tenants residing in a City HOME Assisted Unit will be for not less than one year in duration and will comply with and not contain any lease provisions prohibited by 24 CFR 92.253, as amended. The Borrower may not terminate the tenancy or refuse to renew the lease of a tenant in a City HOME Assisted Unit except in the circumstances identified in

24 CFR 92.253(c). The Borrower must adopt written tenant selection policies and criteria for the Project that meet the requirements listed in 24 CFR 92.253(d).

- (3) Certification of Tenants' Income: The Borrower shall submit or cause to be submitted to the Lender within 90 days of its fiscal year end the income records of all tenants that are or have been occupying City HOME Assisted Units within the preceding 12 months, and verifying that those tenants meet the income guidelines set forth herein, or in the case of existing tenants in said City HOME Assisted Units whose income has increased above 80% of area median income, as defined annually by HUD, that the Borrower has complied with applicable HOME Program regulations in filling the next available vacant units. The Borrower shall calculate tenant or potential tenant income using the Part V (Section 8) Method, while calculating income from assets as required by the HOME Program. Recertification of tenant income shall be done in accordance with the more stringent of either the HOME Program or LIHTC Program requirements.
- (4) Non-Discrimination against Subsidy Holders: The Borrower shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of age, race, color, creed, religion, sex, disability, familial status or national origin.
- (5) Matching Funds: Matching funds in at least the amount of \$103,863 must be provided by the Borrower.

3. **Other Program Requirements.**

- A. The Borrower shall comply with requirements imposed by Title VIII of the Fair Housing Act (42 U.S.C. 3601 *et seq.*), as amended, and any related rules and regulations; all requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), as amended, the HUD regulations issued hereunder; 24 CFR Subtitle A, Part 1, as amended, and the HUD requirements pursuant to these regulations; and Executive Order 11063.
- B. In accordance with all rules and regulations issued by HUD under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Borrower shall not discriminate against any person on the basis of his or her disabilities.
- C. The Borrower shall comply with any rules and regulations issued by HUD under the Age Discrimination Act of 1975, (42 U.S.C. 6101 *et seq.*), as amended, and implementing regulations at 24 CFR Part 146, as amended.
- D. The Borrower shall cooperate with the Lender and HUD in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations, as amended.

- E. The Borrower shall comply with the affirmative marketing requirements as enumerated in the Affirmative Marketing Plan attached as Exhibit D.
- F. The Borrower shall comply with the requirements of 24 CFR Part 92 Subpart F, as amended, as applicable to the Project.

4. Property Standards.

- A. During the Affordability Period, the Borrower shall maintain all City HOME Assisted Units in accordance with the minimum property standards as established by the Lender. The Borrower shall meet all applicable State and local construction codes, rehabilitation standards, and zoning ordinances at the time of Project completion. All City HOME Assisted Units must meet the accessibility requirements of 24 CFR Part 8, as amended, which implements Section 504 of the Rehabilitation Act of 1973. Covered multifamily dwellings, as defined in 24 CFR 100.201, must also meet the design and construction requirements of 24 CFR 100.205, as amended, which implements the Fair Housing Act. All City HOME Assisted Units must meet the property standards of 24 CFR 92.251 and the lead-based paint requirements of 24 CFR Part 35, subparts A, B, J, K, M and R, as amended. The City HOME Assisted Units must meet the current edition of the Model Energy Code published by the International Code Council.
- B. The Borrower shall allow periodic inspections of the City HOME Assisted Units during normal business hours and upon reasonable notice to ensure that the property condition remains in accordance with the applicable standards listed in this agreement for the duration of the Affordability Period.

5. Federal Program Requirements.

- A. Affirmative Marketing of Rental or Vacant Units: The Borrower shall affirmatively market any City HOME Assisted Unit available for rent or purchase in a manner to attract tenants without regard to race, color, national origin, sex, religion, familial status or disability. The Borrower agrees, in soliciting tenants, to do the following:
 - (1) Use the Equal Housing Opportunity logo in all advertising;
 - (2) Display a Fair Housing poster in the rental and sales office;
 - (3) Where appropriate to advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing;
 - (4) Maintain files of the Project's affirmative marketing activities for five years and provide access thereto to the Lender's staff;
 - (5) Not refrain from renting to any participating tenant holding a Section 8 Housing Choice Voucher, except for good cause, such as previous failure to pay rent and/or

to maintain a rental unit, or the tenant's violation of other terms and conditions of tenancy;

- (6) Comply with Section 8 Housing Choice Voucher regulations when renting to any participating tenant;
 - (7) Exercise affirmative marketing of the units when vacated; and
 - (8) Complete the Urbana HOME Consortium Affirmative Marketing Plan, attached as Exhibit D.
- B. Non-Discrimination and Equal Opportunity: In carrying out this agreement, the Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, familial status, disability or national origin. The Borrower shall take the necessary steps to ensure that applicants for employment are employed, and that employees are treated during employment without regard to their race, color, religion, sex, age, familial status, disability or national origin. Such action includes, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The Borrower shall consider all qualified candidates for employment without regard to race, color, religion, sex, age, familial status, disability or national origin. The Borrower shall comply with all of the provisions of Paragraph 13 of the Illinois Housing Development Act (20 ILCS 3805/13), as amended, Sections 92.350 and 92.351 of the HOME regulations (24 CFR Sections 92.350 and 351), and all other provisions of federal, state and local law relative to non-discrimination, as amended.
- C. Displacement, Relocation and Acquisition: If applicable, the Borrower shall cooperate with and assist the Lender in the provision of relocation assistance for temporarily relocated and/or permanently displaced persons residing in the Project at the levels in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C.4601 *et seq.*), as amended, and 49 CFR Part 24, as amended.
- D. Labor Requirements: Contracts executed as a result of this agreement may also be subject, as applicable, to the Contract Work Hours and Safety Standards Act (40 U.S.C.3701 *et seq.*), as amended.
- E. The Borrower shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874 *et seq.*), as amended, and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5, as amended. The Borrower shall maintain documentation that demonstrates compliance with hour and wage requirements of this Part. The Borrower shall make such documentation available to the Lender for review upon request.

- F. The Borrower shall comply with the Fair Labor Standards Act of 1938, as amended (29 U.S.C 201, *et. seq.*) The Borrower shall maintain documentation that demonstrates compliance with the requirements of this statute. The Borrower shall make such documentation available to the Lender for review upon request.
- G. Debarment and Suspension: The Borrower certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. The Borrower shall establish procedures to ensure that it does not make any award to grantees and subgrantees (including contractors) at any tier in violation of the nonprocurement debarment and suspension common rule implementing Executive Order 12549. The Borrower shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs ("List"). The Borrower may request assistance from the Lender to access the List and document results to the file, or verify by using the following website (www.epls.gov) or any other approved method.
- H. Conflict of Interest: The Borrower guarantees that no member of, or delegate to, the Congress of the United States will be admitted to any share or part of this agreement or to any benefit to arise from the same. The Borrower agrees that no members of the governing body of the locality in which the Borrower is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the agreement during his/her tenure, or for one year thereafter, will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this agreement. Unless expressly permitted by HUD, the Borrower agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the Borrower and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME Program funds, or who is in a position to participate in a decision-making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. Unless expressly permitted by the Lender, no Borrower, or officer, employee, agent or consultant of the Borrower, may occupy a City HOME Assisted Unit. The Borrower shall comply with the conflict of interest provisions prescribed in 24 CFR 92.356(f).
- I. Compliance with Section 3. The Borrower shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701 *et seq.*), as amended. Section 3 applies to all contracts and subcontracts in excess of \$100,000 or where Lender assistance exceeds \$200,000. Additionally, if no contracts or subcontracts exceed \$100,000, then Section 3 will only apply to the Borrower. The following forms are required to be completed and submitted to the Lender:

- (1) _____ Section 3 Policy
- (2) _____ Section 3 Self-Certification
- (3) _____ Section 3 Compliance in the Provision of Training, Employment, and Business Opportunities
- (4) _____ Proposed Subcontractor Breakdown – Table A
- (5) _____ Estimated Project Workforce Breakdown – Table B

- J. The Lender shall provide the foregoing Certification forms to the Borrower. The Borrower is responsible for distributing and collecting the Section 3 forms from each contractor and subcontractor associated with the Project. No work may begin until these forms are completed and returned to the Lender.
- K. Air and Water: The Borrower shall comply with the following requirements insofar as they apply to the performance of this agreement: Clean Air Act, 42 U.S.C. 7401, *et seq.*, as amended; Federal Water Pollution Control Act, 33 U.S.C. 1251, *et seq.*, as amended, including Section 308 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.
- L. Uniform Administration Requirements: The Borrower shall comply with the uniform administrative requirements governing Federal funds, including those requirements that apply to governmental entities. Specifically, this includes the requirements of OMB Circular No. A-87 and the following provisions of 24 CFR Part 85: Sections 85.6, 85.12, 85.20, 85.22, 85.26, 85.32-85.34, 85.44, 85.51, and 85.52. For nonprofit organizations, this includes the requirements of OMB Circular No. A-122 and the following provisions of 24 CFR Part 84: Sections 84.2, 84.5, 84.13-84.16, 84.21, 84.22, 84.26-84.28, 84.30, 84.31, 84.34-84.37, 84.40-84.48, 84.51, 84.60-84.62, 84.72, and 84.73.
- M. The Borrower shall comply with federal OMB 2 CFR Chapter I, Chapter II, Part 200, *et al*, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” Omni Circular.
- N. Eligible and Ineligible Fees: The Borrower shall not charge laundry room access, inspection, servicing, or other fees. Only the following are permitted fees: a reasonable annual fee for ongoing rental project compliance monitoring, fees for rental housing tenants that are reasonable and customary to the area, and fees for services that are voluntary and as long as the fees are only charged for services provided.

6. **Payment Generally.**

- A. As consideration for the performance of the undertaking and completion of construction of the Project, the Lender shall pay the Borrower for all eligible costs, as determined by the Lender, an amount not to exceed \$415,452. Payment for the Project will be made in accordance with the budget detailed in Exhibit C and will be limited to the Scope of Work/Project Description contained in Exhibit B.
- B. The Borrower shall submit a request for disbursement to the Lender for HOME Program funds under this agreement when funds are needed for payment of eligible HOME Program costs. The amount of each disbursement request will be limited to the amount expended.

7. **Progress and Final Payments.** The Borrower may request from the Lender progress payments as soon as portions of the work described in Exhibit B have been completed. The Lender or its designee shall authorize said payments and said payments will not be made until the Lender or its designee approves the payment. If all conditions are met, and the work performed and materials supplied in a manner satisfactory to the Lender, the Borrower will receive final payment.

8. Recordkeeping.

- A. The Borrower shall maintain such records and accounts, including program records, Project records; financial records; program administration records; equal opportunity and fair housing records; MBE/WBE records; records demonstrating compliance with the income eligibility determination requirements of 24 CFR 92.203; recordkeeping requirements of 24 CFR 92.508; any records demonstrating compliance with the requirements of 24 CFR 92.353 regarding displacement, relocation and real property acquisitions; records demonstrating compliance with the labor requirements of 24 CFR 92.354; records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355; debarment and suspension certifications required by 24 CFR Parts 24 and 92; and any other records, as are deemed necessary by the Lender to assure a proper accounting and monitoring of all HOME Program funds. The Borrower shall retain all records and supporting documentation applicable to this agreement for five years after the Affordability Period has terminated.
- B. On an annual basis, the Borrower shall provide a report to the Lender describing the occupancy status and current rents for each City HOME Assisted Unit, as well as financial statements for the entire rental Project, in the manner specified by the Lender.

9. General Provisions.

- A. This agreement, together with its attachments, constitutes the entire agreement between the Lender and the Borrower concerning the subject matter and supersedes all prior agreements or understandings pertaining to the matter of this agreement. All attachments to this agreement are incorporated into this agreement and are made a part of this agreement by this reference.
- B. This agreement will be valid only after the Urbana City Council approves it by resolution or ordinance.

- C. The parties may sign this agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.
- D. Each party represents to the other that the person or persons signing this agreement on behalf of the party has or have been authorized and empowered to enter into this agreement by and on behalf of such party and to bind that party to all terms, performances, and provisions herein set forth.
- E. As stated in the Project environmental review record, which is stored on file for public review at the Lender's principal office, the following mitigation measures must be satisfied prior to payment of HOME Program funds:

Law, Authority, or Factor	Mitigation Measure
Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B	Site design must include elements in the project that will reduce the interior noise level to 45 DNL and/or exterior noise level to 65 DNL as determined through the Sound Transmission Classification Assessment Tool (STraCAT) and/or the Barrier Performance Module (BPM), as applicable.
Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Follow the steps outlined in the Procedure to Remove Floodplain Designations by Berns, Clancy and Associates. The developer must not construct insurable property in Special Flood Hazard Areas prior to receipt of confirmation from the Federal Emergency Management Agency (FEMA) of a LOMA/LOMC confirming that areas of proposed construction are no longer considered Special Flood Hazard Areas. Any structures built in Special Flood Hazard Areas are required to obtain flood insurance in the amount equal to the outstanding principal balance of the HOME-funded loan or the maximum limit of coverage made available under the National Flood Insurance Program, whichever is less.
Executive Order 12898	A properly noticed public hearing, as stated through the State of Illinois Open Meetings Act (5 ILCS 120), must be held prior the start of construction activities to obtain comments on the nature of the noise attenuation strategies and the existing Procedure to Remove Floodplain Designations.

10. Enforcement.

- A. A default will consist of any use of HOME Program funds for a purpose other than as authorized by this agreement, noncompliance with the HOME Investment Partnerships Act (42 U.S.C. 12701 *et seq.*), as amended, any material breach of the agreement, failure to expend HOME Program funds in a timely manner, or a misrepresentation in the application submission which, if known by the Lender and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the Borrower of the occurrence of any such default and the provision of a reasonable opportunity to respond, the Lender may take one or more of the following actions:
- (1) Direct the Borrower to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;
 - (2) Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
 - (3) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
 - (4) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
 - (5) Direct the Borrower to reimburse the Lender's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, *et seq.* as amended;
 - (6) Suspend disbursement of HOME Program funds for affected activities;
 - (7) Take other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the agreement, and any other available remedies.
- B. For purposes of this agreement, a reasonable opportunity to respond to any default will be 30 days from receipt by the Borrower of the Lender's written notice of default. No delay or omission by Lender and/or HUD in exercising any right or remedy available to it under the agreement will impair any such right or remedy or constitute a waiver or acquiescence in any Borrower default.
- C. Unless the Borrower's default is waived, the Lender may, upon 24 hours' written notice, terminate this agreement for said default. Waiver by the Lender of the Borrower's default under this agreement will not be deemed a waiver of any other default nor will it be termination notice.

11. **Notices.** Except where the terms of this agreement expressly provide otherwise, the parties shall give all notices required or permitted by this agreement in writing. All notices will be deemed

given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier service (e.g., FedEx or UPS). A notice delivered by email will be deemed given when the recipient acknowledges having received the email by an email sent to the sender's email address, as stated in this section, or by a notice delivered by another method in accordance with this section. An automatic "read receipt" will not constitute acknowledgment of an email for purposes of this section. Each party's address is stated below and may be changed to such other address as the party may hereafter designate by notice.

Bristol Place Residences, LP:

Bristol Place Residences, LP
Attn: James Roberts
15255 S. 94th Avenue, Suite 500
Orland Park, IL 60462-3895
urbanfinance.james@comcast.net

City of Urbana:

Kelly H. Mierkowski
Grants Management Division Manager
City of Urbana
400 S. Vine Street
Urbana, IL 61801
khmierkowski@urbanaininois.us

[Signature page follows]

The parties are signing this agreement on the dates indicated beside their signatures.

BRISTOL PLACE RESIDENCES, LP,

By: _____
James Roberts
Manager

_____ Dated

CITY OF URBANA, ILLINOIS

By: _____
Diane Wolfe Marlin
Mayor

_____ Dated

ATTEST:

Charles A. Smyth
City Clerk
Resolution No. 2018-

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that James Roberts, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized Manager of AHDVS-Bristol Place, LLC, the said AHDVS-Bristol Place, LLC being the Manager of Bristol Place, LLC, as his free and voluntary act, and the free and voluntary act of AHDVS-Bristol Place, LLC and Bristol Place, LLC for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____ 2018.

Notary Public

Exhibit A
Legal Description

A PART OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS; THENCE NORTH 89 DEGREES 30 MINUTES 17 SECONDS EAST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, A DISTANCE OF 243.79 FEET; THENCE NORTH 00 DEGREES 36 MINUTES 40 SECONDS WEST ALONG A SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 64 OF BRISTOL PLACE SUBDIVISION AS RECORDED IN PLAT BOOK "B" PAGE 228 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 28.36 FEET TO AN IRON PIPE SURVEY MONUMENT SET AT THE SOUTHEAST CORNER OF TRACT 3 AS DESCRIBED IN DOCUMENT 2009R08218 AS RECORDED IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER AND ALSO BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF BRADLEY AVENUE; THENCE SOUTH 89 DEGREES 41 MINUTES 57 SECONDS EAST ALONG THE NORTHERLY RIGHT OF WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 142.14 FEET TO A POINT OF BEGINNING; THENCE NORTH 00 DEGREES 32 MINUTES 05 SECONDS WEST, A DISTANCE OF 359.94 FEET; THENCE NORTHERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 326.00 FEET, A CHORD LENGTH OF 88.93 FEET, A CHORD BEARING NORTH 08 DEGREES 22 MINUTES 28 SECONDS WEST FOR AN ARC LENGTH OF 89.21 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 653.11 FEET, A CHORD LENGTH OF 217.21 FEET, A CHORD BEARING NORTH 25 DEGREES 47 MINUTES 11 SECONDS WEST FOR AN ARC LENGTH OF 218.22 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 79.00 FEET, A CHORD LENGTH OF 58.96 FEET, A CHORD BEARING NORTH 57 DEGREES 16 MINUTES 06 SECONDS WEST FOR AN ARC LENGTH OF 60.42 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 66.00 FEET, A CHORD LENGTH OF 76.48 FEET, A CHORD BEARING NORTH 43 DEGREES 46 MINUTES 09 SECONDS WEST FOR AN ARC LENGTH OF 81.58 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 79.00 FEET, A CHORD LENGTH OF 58.96 FEET, A CHORD BEARING NORTH 30 DEGREES 16 MINUTES 11 SECONDS WEST FOR AN ARC LENGTH OF 60.42 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 653.08 FEET, A CHORD LENGTH OF 62.27 FEET, A CHORD BEARING NORTH 54 DEGREES 54 MINUTES 44 SECONDS WEST FOR AN ARC LENGTH OF 62.29 FEET; THENCE WESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 167.01 FEET, A CHORD LENGTH OF 72.13 FEET, A CHORD

BEARING NORTH 70 DEGREES 06 MINUTES 57 SECONDS WEST FOR AN ARC LENGTH OF 72.71 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF MARKET STREET; THENCE NORTH 00 DEGREES 36 MINUTES 19 SECONDS WEST ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID MARKET STREET BEING PARALLEL AND 33.00 FEET EAST OF THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE WEST LINE OF FRED G. CARROLL'S FIRST SUBDIVISION AS RECORDED IN PLAT BOOK "E" PAGE 183 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER AND THE WEST LINE OF TRACT "A", TRACT "B" AND TRACT "C" AS RECORDED IN BOOK 536 PAGES 312 TO 314 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 455.08 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE NORTHWEST CORNER OF SAID TRACT "A"; THENCE NORTH 89 DEGREES 40 MINUTES 07 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE NORTH LINE OF SAID TRACT "A" AND ALSO BEING THE NORTH LINE OF ROPER STREET ADDITION AS RECORDED IN PLAT BOOK "H" PAGE 110 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 725.29 FEET TO AN IRON PIPE SURVEY MONUMENT SET AT THE NORTHEAST CORNER OF LOT 8 OF SAID ROPER STREET ADDITION; THENCE SOUTH 00 DEGREES 27 MINUTES 42 SECONDS EAST ALONG THE EAST LINE OF LOT 8 OF SAID ROPER STREET ADDITION, A DISTANCE OF 184.18 FEET TO AN 5/8 INCH DIAMETER IRON PIPE SURVEY MONUMENT FOUND AT THE SOUTHEAST CORNER OF LOT 8 OF SAID ROPER STREET ADDITION; THENCE NORTH 89 DEGREES 35 MINUTES 08 SECONDS EAST, A DISTANCE OF 286.62 FEET TO AN IRON PIPE SURVEY MONUMENT SET ON THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD; THENCE SOUTH 17 DEGREES 39 MINUTES 59 SECONDS WEST ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID ILLINOIS CENTRAL RAILROAD, A DISTANCE OF 1,173.21 FEET TO A CHISELED "X" SURVEY MONUMENT SET ON THE NORTHERLY RIGHT-OF-WAY LINE OF BRADLEY AVENUE; THENCE SOUTH 89 DEGREES 30 MINUTES 17 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 183.75 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE SOUTH 88 DEGREES 59 MINUTES 23 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 48.97 FEET TO A CHISELED "X" SURVEY MONUMENT SET; THENCE NORTH 88 DEGREES 40 MINUTES 05 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 56.34 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 89 DEGREES 41 MINUTES 57 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 1.69 FEET TO THE POINT OF BEGINNING, ENCOMPASSING 18.63 ACRES, MORE OR LESS, SITUATED IN THE CITY OF CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS.

Exhibit B
Scope of Services/Project Description

Bristol Place is a 90 rental unit new construction, family complex to be located in the City of Champaign, Illinois. The site is located approximately 0.77 miles north of downtown Champaign. The Champaign-Urbana area is approximately 130 miles south of Chicago, 175 miles northeast of St. Louis, Missouri, and 110 miles northwest of Indianapolis, Indiana.

The new development will include single-family homes, duplexes, and townhomes, as well as a variety of community amenities. Project amenities will include an on-site community center.

Two (2) of the 90 units will be subject to the HOME regulations as High HOME Rent units. A total of twenty-one (21) units will be reserved for families at thirty percent (30%) of AMI who may have special needs or have Section 8 vouchers; forty-eight (48) will be reserved for those at fifty percent (50%); fifteen (15) will be reserved for those at sixty percent (60%); eleven will be market rent units; and one will be a manager-occupied unit.

Completion of construction is projected to be during November of 2018. The rents paid by all tenants of applicable units will be affordable according to the guidelines of the Low-Income Housing Tax Credits and HOME Program.

The Project will be 100% leased within six (6) months of the completion of Bristol Place's construction.

Exhibit C
Budget – Owner’s Sworn Statement; Schedule

Exhibit D
Affirmative Marketing Plan

[Please see attached Copy of Affirmative Fair Housing Marketing Plan]

This instrument was prepared by:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

REGULATORY AND LAND USE RESTRICTION AGREEMENT

This Regulatory and Land Use Restriction Agreement ("Regulatory Agreement") is made between **Bristol Place Residences, LP**, an Illinois limited partnership ("Borrower"), and the **City of Urbana**, an Illinois municipal corporation ("City"), each a "party" and together the "parties," and is effective on the last date signed by a party hereto.

Background

The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. 12701, *et seq.*, which created the HOME Investment Partnerships Act (the "HOME Act") to provide funds to state and local governments for affordable housing assistance that is most appropriate for local needs. The HOME Investment Partnerships Program ("HOME Program"), 24 CFR Part 92, implements the Act. The City is a Participating Jurisdiction under the Act and receives HOME Program funds.

The City has agreed to make a loan to the Borrower in the original, principal amount of \$415,452 ("Loan"), to be used for the eligible costs associated with the construction of an affordable housing development with 90 total units on the Borrower's real property (the "Real Estate") legally described in Exhibit A.

The Borrower has executed and delivered to City its promissory note ("Note") as evidence of its indebtedness to City in the principal amount of the Loan or so much thereof as may hereafter be advanced upon the Loan to the Borrower by the City, payable at the time and in the manner as specified in the Note.

The Loan is evidenced, secured and governed by, among other things: (a) the Note; (b) the Mortgage of even date herewith executed by Borrower and recorded on in the Champaign County Recorder's Office ("Mortgage"); (c) the Rental Housing Agreement entered into by the Borrower and the City dated as of even date herewith ("Project Agreement"), such agreement being on file at the offices of the City; and (d) this Regulatory Agreement. The Regulatory Agreement, the Project Agreement, the Note, the Mortgage, and all other documents executed by Borrower which

evidence, govern or secure the Loan are each referred to as a "Loan Document" and collectively referred to as the "Loan Documents."

As an inducement to City to make the Loan, the Borrower has agreed to enter into this Regulatory Agreement in accordance with the terms, conditions, and covenants set forth below, consents to be regulated and restricted by City as herein provided, and has agreed to certain rental restrictions as provided for in the HOME Act and the regulations promulgated thereunder and codified at 24 CFR Part 92 as the same may be amended and supplemented from time to time, and as applicable (the "Regulations").

Therefore, the parties agree as follows.

1. Regulatory Compliance. The Borrower's acts regarding the Real Estate and the improvements now or hereinafter located thereon (together referred to as the "Project") at all times shall be in conformance with the HOME Act and the Regulations and any additional rules, regulations, policies and procedures of the City promulgated under the HOME Act, all as the same may be amended and supplemented from time to time. The Borrower shall obtain all federal, state, and local governmental approvals required by law for the Project (as defined in the Project Agreement). The Borrower shall cause the Project to comply with all local codes, ordinances, zoning ordinances, and the United States Department of Housing and Urban Development's ("HUD") Section 8 Housing Quality Standards, as set forth in 24 CFR Part 982.
2. Occupancy and Rental Restrictions. The Borrower further represents, warrants, covenants, and agrees that:
 - A. The Project, which is located in the Bristol Park neighborhood of Champaign, Illinois, will consist of construction of 90 dwelling units in conformity with site plans approved by the City of Champaign. Two of the 90 dwelling units will be designated as affordable rental dwelling units ("City HOME Units") that will be assisted with HOME funds. Said City HOME Units will be initially rented to households at 60% or less of median family income, in accordance with the requirements of the HOME Program, including compliance with the current maximum allowable rents for projects funded by the HOME Program. Thereafter, The maximum income for households residing in the City HOME Assisted Units cannot exceed eighty percent (80%) of the area median income, adjusted by family size, as defined annually by HUD.
 - B. In the advertising, marketing, rental of the City HOME Units, and the selection of tenants for the Project, the Borrower shall abide by the terms and conditions of the Tenant Selection Plan executed by the Borrower and approved by the City, the Affirmative Fair Housing Marketing Plan executed by the Borrower and approved by the City, the Project Agreement (as such documents may be amended from time to time with the prior written consent of the City), the HOME Act, the Regulations, and all applicable ordinances, regulations, rules, procedures and requirements of the City.
 - C. The Borrower shall not, in the selection of tenants, in the provision of services, or in any other manner unlawfully discriminate against any person on the grounds of race,

color, creed, religion, sex, unfavorable military discharge, ancestry, disability, national origin, marital status, familial status, or because the prospective tenant is receiving governmental rental assistance. The Borrower shall comply with all of the provisions of Paragraph 13 of the Illinois Housing Development Act (20 ILCS 3805/13), as amended, Sections 92.350 and 92.351 of the Regulations (24 C.F.R. §§ 92.350 and 351, as amended) and all other provisions of federal, state and local law relative to non-discrimination.

- D. In the management, maintenance, and operation of the Project, the Borrower shall abide by the terms and conditions of the Project Agreement, as such document may be amended from time to time with the prior written approval of City. The Borrower shall be responsible for ensuring any management agent's compliance with the HOME Act, the Regulations, and all applicable ordinances, regulations and statutes and the rules, procedures and requirements of the City.
- E. On forms approved by the City, the Borrower shall obtain from each prospective tenant, prior to his or her admission to the Project, a determination of income in accordance with Section 92.203(a) of the Regulations ("Determination"), and at such intervals thereafter as required by the City conduct a reexamination of income in accordance with Section 92.252(h) of the Regulations (the "Reexamination") from all such tenants. The Borrower shall submit the initial Determination and results of each subsequent Reexamination to the City in the manner prescribed by the City.
- F. In the manner prescribed by City, the Borrower shall obtain written evidence substantiating the information given for the initial Determination and each subsequent Reexamination and shall retain such evidence in its files at the Project or at the offices of the Borrower for three years after the year to which such evidence pertains.
- G. Rent for the City HOME Units shall not be greater than the rent allowed under the terms of the Project Agreement. Any increases in rents for the City HOME Units in accordance with the Project Agreement are subject to the provisions of outstanding leases, and, in any event, the Borrower shall provide tenants of City HOME Units no fewer than 30 days' prior written notice before implementing any increase in rents.
- H. City HOME Units will be deemed to comply with this paragraph 2, despite a temporary noncompliance with this paragraph, if (i) the noncompliance is caused by increases in the incomes of tenants already occupying such City HOME Units; and (ii) actions satisfactory to City are being taken to ensure that all vacancies are filled in accordance with this paragraph 2 until the noncompliance is corrected. Subject to the limitations set forth in Section 92.252(i)(2) of the Regulations with respect to low-income housing tax credits, if applicable, tenants who no longer qualify as low-income tenants must pay for rent and utilities an amount not less than 30% of the family's adjusted monthly income, as recertified annually.

- I. The Borrower shall require all tenants occupying City HOME Units to execute a lease in a form approved by the City in accordance with Section 92.253 of the Regulations (24 CFR 92.253), as amended, and all applicable provisions of the Regulations.
 - J. The Borrower shall cause all Loan proceeds to be used for eligible activities and eligible costs and for the benefit of eligible beneficiaries, as such terms are defined in Sections 92.205 and 92.206 of the Regulations (24 CFR 92.205 and 92.206), as amended.
 - K. The Borrower shall submit to the City on an annual basis the rent schedule for the City HOME Units reflecting the actual rates being charged at the Project.
 - L. The Borrower shall not evict any tenant from a City HOME Unit in the Project without good cause.
 - M. Within 30 days after the end of each calendar year, the Borrower shall certify to the City that, at the time of such certification and during the preceding calendar year, the Borrower was in compliance with the requirements of this paragraph 2, or, if the Borrower is not or has not been in compliance with such requirements, the Borrower shall give notice to City of its failure to comply and the corrective action the Borrower is taking or has taken.
 - N. Subject to termination in the event of foreclosure or transfer in lieu of foreclosure as provided in Section 92.252(e) of the Regulations (24 CFR 92.252(e)), the occupancy and rental restriction provisions of this paragraph 2 shall remain in effect for a period of 20 years from the date of project completion (the "Affordability Period"). In the event of foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Project, the City shall have the right, but not the obligation, to acquire the Project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in Section 92.252 of the Regulations.
3. Acts Requiring City Approval. Except as permitted pursuant to the other Loan Documents, the Borrower shall not without the prior written approval of City, which may be given or withheld in City's sole discretion, do any of the following:
- A. convey, transfer, or encumber the Project or any part thereof, or permit the conveyance, transfer, or encumbrance of the Project or any part thereof;
 - B. convey, assign, or transfer any right to manage or receive the rents and profits from the Project;
 - C. rent any City HOME Unit for less than one year, unless otherwise mutually agreed in writing by the Borrower and the tenant in accordance with the Regulations;
 - D. lease or sublease any non-residential facility in the Project or amend or modify any such lease or sublease, which, to the best of the Borrower's knowledge, would result

in a conflict of interest between any of the parties to such contracts and the City, its officers, employees, agents or members of their respective immediate families; or

- E. require, as a condition of the occupancy or leasing of any City HOME Unit in the Project, any consideration or deposit other than the pre-payment of the first month's rent plus a security deposit in an amount not to exceed one month's rent to guarantee the performance by the tenant of the covenants of such lease. Any funds collected by Borrower as security deposits shall be kept separate and apart from all other funds of the Project.

4. Program Requirements. The Borrower further covenants, represents and warrants to the City as follows:

- A. Flood Insurance. If required by the City, the Borrower shall procure flood insurance satisfactory to the City if the Project is located in a 100-year flood plain.
- B. Scope of Work. The only work to be done in connection with the Project will be that described in the Project Agreement.
- C. Insurance Proceeds. If the Borrower receives insurance proceeds for any damage or destruction to the Real Estate occurring during the Affordability Period, the Borrower shall apply such proceeds to the repair of such damage or destruction, in accordance with the provisions set forth in the Mortgage.
- D. Cooperation and Project Design. The Borrower shall expeditiously complete construction of the Project, as set forth in the Project Agreement. The Borrower shall design and construct the Project in conformity with (i) applicable federal, state and local statutes, regulations, ordinances, standards and codes (except as otherwise approved by the City), (ii) industry practices in Illinois and (iii) applicable rules, contracts, agreements, procedures, guides and other requirements of the City provided to the Borrower in writing.
- E. Furnishing Records, Reports, and Information. At the request of the City, the Borrower shall furnish (i) such records and information as required by the City in connection with the maintenance, occupancy, and physical condition of the Real Estate; and (ii) such reports, projections, certifications, budgets, financial reports, operating reports, tax returns, and analyses as required pursuant to the Regulations and any other applicable statutes, rules, and regulations.
- F. Audit. The Project and the equipment, buildings, plans, specifications, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto, and the books and records relating to the Borrower, shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection and copying at the office of the Borrower by the City or its agents or representatives at any time during regular business hours as the City reasonably requires.

5. Violation of Agreement by Borrower.

- A. Upon violation of any of the provisions of this Regulatory Agreement by the Borrower, the City shall give written notice thereof to the Borrower in the manner provided in paragraph 14 hereof. If such violation is not corrected to the satisfaction of the City within 30 days after the date such notice is mailed, or within such further time as the City in its sole discretion permits (but if such default is of a nature that it cannot be cured within such 30 day period, then so long as the Borrower commences to cure within such 30 day period and diligently pursues such cure to completion within a reasonable period not to exceed 120 days from the date of such notice, such violation shall not be considered to be a default ("Default"), or if any Default or event of Default under any other Loan Document is not cured within any applicable grace, cure, or notice period set forth therein, then the City may declare a Default under this Regulatory Agreement, effective on the date of such declaration of Default and notice thereof to Borrower, and upon such Default the City may undertake any or all of the following:
- (1) declare the whole of the indebtedness under the Note immediately due and payable and proceed with the rights and remedies set forth in the Mortgage.
 - (2) withhold further disbursement of the Loan.
 - (3) subject to the rights of Senior Lenders, as defined in the Mortgage, collect all rents and charges in connection with the operation of the Project and use such collections to pay the Borrower's debts under the Loan Documents and such other debts of the Borrower in connection with the Project and the necessary expenses of preserving and operating the Project.
 - (4) subject to the rights of Senior Lenders, as defined in the Mortgage, take possession of the Project, bring any action necessary to enforce any rights of the Borrower in connection with the operation of the Project and operate the Project in accordance with the terms of this Regulatory Agreement until such time as the City, in its sole discretion, determines that the Borrower is again in a position to operate the Project in accordance with the terms of the Regulatory Agreement and in compliance with the requirements of the Note and the Mortgage.
 - (5) apply to any state or federal court for an injunction against any violation of this Regulatory Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Regulatory Agreement, or for such other relief as may be appropriate.
 - (6) subject to the rights of Senior Lenders, use and apply any monies deposited by the Borrower with the City regardless of the purpose for which the same were deposited, to cure any such Default or to repay any indebtedness under the Loan Documents which is due and owing to the City.

- (7) exercise such other rights or remedies as may be available to the City hereunder, under any other Loan Document, at law or in equity.
- B. Because the injury to the City arising from a Default under any of the terms of this Regulatory Agreement would be irreparable and the amount of damages would be difficult to ascertain, the Borrower acknowledges and agrees that in the event of a violation of this Regulatory Agreement, the City's remedies at law would be inadequate to assure the City's public purpose under the HOME Act.
6. Waiver. The City's remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver of any breach of this Regulatory Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Regulatory Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.
7. Termination of Liabilities.
- A. In the event the City consents to a sale or other transfer of the Project, or in the event of a permitted sale or other transfer, if any, pursuant to the Loan Documents, all of the duties, obligations, undertakings and liabilities of the transferor under the terms of this Regulatory Agreement will thereafter cease and terminate as to such transferor; provided, however, as a condition precedent to the termination of the liability of the transferor hereunder, the transferee of the Project ("New Borrower") shall assume in writing, on the same terms and conditions as apply hereunder to the transferor, all of the duties of such transferor arising under this Regulatory Agreement from and after such sale or transfer. Such assumption will be in form and substance acceptable to the City in its sole discretion.
- B. Any New Borrower shall be bound by the terms of this Regulatory Agreement to the same extent and on the same terms as the present Borrower is bound hereunder and shall execute an assumption of such duties in form and substance acceptable to City as a condition precedent to such transferee's admission as a New Borrower.
8. Term of Agreement; Covenants Run with the Land.
- A. The covenants, conditions, restrictions and agreements set forth in this Regulatory Agreement (collectively, the "Obligations") will be deemed to run with, bind, and burden the Real Estate and the Project and will be deemed to bind any New Borrower and any other future owners of the Real Estate or the Project and the holder of any legal, equitable or beneficial interest therein for the Affordability Period; provided, moreover, that if the date of the cancellation of the Note is prior to the expiration date of the Affordability Period, the Obligations shall remain in effect until the last day of the Affordability Period, irrespective of whether the proceeds of the Loan are repaid voluntarily by the Borrower or tendered by any party following an acceleration by the

City of the Note or enforcement by the City of its remedies in connection with the Loan. The Borrower shall, if so requested by the City, execute a written memorandum, prepared by the City, which memorandum shall memorialize said date of Project completion and the foregoing Affordability Period. Any waiver by the City of its right to prepare or record any such memorandum and any failure by the Borrower to execute and deliver the same will not affect the validity or enforceability of the Obligations. In the event of a foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Project, the City or its designee will have the right, but not the obligation, to acquire the Project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in Section 92.252 of the Regulations, as amended, provided that any such acquisition will be subject to existing mortgages between the Borrower and Senior Lender.

- B. Notwithstanding that the Loan may be repaid prior to the expiration of the Affordability Period, the Borrower's undertaking to perform the Obligations for the full Affordability Period set forth in the previous paragraph is a condition precedent to the willingness of City to make the Loan.

9. Indemnification. The Borrower shall indemnify and defend the City, its officers, agents, employees, or agents against any and all liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, reasonable attorneys' fees, settlements or judgments, whether by direct suit or from third parties, arising from or in any way related to the Borrower's performance or failure to perform the provisions of this Regulatory Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the City, or its respective officers, agents, employees or servants, except to the extent caused by the gross negligence or willful misconduct of the City, or its officers, employees, or agents.

10. Amendment. This Regulatory Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. Conflicts and Partial Invalidity. Borrower warrants that it has not executed, and shall not execute, any other agreement with provisions contradictory, or in opposition to, the provisions hereof and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and duties set forth in such other agreement and supersede any other requirements in conflict therewith; provided, however, that to the extent this Regulatory Agreement conflicts with any provision or requirement set forth in the Loan Documents, as the case may be, the more restrictive provision and requirement shall prevail and control. If any term, covenant, condition or provision of this Regulatory Agreement, or the application thereof 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 Regulatory Agreement, or the application thereof to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, condition and provision of this Regulatory Agreement shall be valid and enforceable to the fullest extent permitted by law. The provisions of this paragraph 11 shall not be deemed to be violated by, or violate, the Senior Loan Documents, as defined in the Mortgage.

12. Successors. Subject to the provision of paragraph 7 hereof, this Regulatory Agreement will bind, and the benefits will inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest and assigns; provided, however, that the Borrower shall not assign this Regulatory Agreement or any of its Obligations hereunder, without the prior written approval of the City.

13. Capitalized terms, Plurals, Gender and Captions. Capitalized terms used in this Regulatory Agreement and not otherwise defined shall have the meanings established in the Project Agreement, and, if not defined therein, then in the HOME Act, and if not defined therein, in the Regulations. The use of the plural herein shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders. The captions used in this Regulatory Agreement are used only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Regulatory Agreement.

14. Notices. Except where the terms of this agreement expressly provide otherwise, the parties shall give all notices required or permitted by this agreement in writing. All notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier service (e.g., FedEx or UPS). A notice delivered by email will be deemed given when the recipient acknowledges having received the email by an email sent to the sender's email address, as stated in this section, or by a notice delivered by another method in accordance with this section. An automatic "read receipt" will not constitute acknowledgment of an email for purposes of this section. Each party's address is stated below and may be changed to such other address as the party may hereafter designate by notice.

Bristol Place Residences, LP:

Bristol Place Residences, LP
Attn: James Roberts
15255 S. 94th Avenue, Suite 500
Orland Park, IL 60462-3895
urbanfinance.james@comcast.net

City of Urbana:

Kelly H. Mierkowski
Grants Management Division Manager
City of Urbana
400 S. Vine Street
Urbana, IL 61801
khmierkowski@urbanaininois.us

15. Survival of Obligations. The Borrower's Obligations, as set forth in this Regulatory Agreement, shall survive the disbursement of the Loan, and the Borrower shall continue to

cooperate with the City and furnish any documents, exhibits, or records reasonably requested pursuant to paragraph 4(F) of this Regulatory Agreement.

16. Construction. This Regulatory Agreement will be construed and interpreted in accordance with the laws of the State of Illinois.

17. Counterparts. The parties may sign this Regulatory Agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.

18. Limited Non-Recourse Obligation. Notwithstanding anything herein to the contrary, the indebtedness evidenced by the Note shall be a non-recourse obligation of the Borrower and neither the Borrower nor any general or limited partner of the Borrower or their respective successors or assigns, nor any related or unrelated party, shall have any personal liability for repayment of said indebtedness or any other amounts evidenced or secured by the Loan Documents, the sole recourse of the City or any subsequent holder of the Note being the exercise of its rights against the Project and any other collateral under the Loan Documents, including without limitation (a) the Project and the rents issues, profits and income therefrom, (b) any funds or property held pursuant to any of the Loan Documents, and (c) insurance proceeds and condemnation awards paid or payable relative to the Project.

19. Waiver of Jury Trial. The parties waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with any of the Loan Documents and agree that any such action or proceeding will be tried before a court and not before a jury.

20. Subordination. This Regulatory Agreement is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents, both as defined in the Mortgage.

[Signature pages follow]

Exhibit A
Legal Description

A PART OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS; THENCE NORTH 89 DEGREES 30 MINUTES 17 SECONDS EAST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, A DISTANCE OF 243.79 FEET; THENCE NORTH 00 DEGREES 36 MINUTES 40 SECONDS WEST ALONG A SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 64 OF BRISTOL PLACE SUBDIVISION AS RECORDED IN PLAT BOOK "B" PAGE 228 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 28.36 FEET TO AN IRON PIPE SURVEY MONUMENT SET AT THE SOUTHEAST CORNER OF TRACT 3 AS DESCRIBED IN DOCUMENT 2009R08218 AS RECORDED IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER AND ALSO BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF BRADLEY AVENUE; THENCE SOUTH 89 DEGREES 41 MINUTES 57 SECONDS EAST ALONG THE NORTHERLY RIGHT OF WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 142.14 FEET TO A POINT OF BEGINNING; THENCE NORTH 00 DEGREES 32 MINUTES 05 SECONDS WEST, A DISTANCE OF 359.94 FEET; THENCE NORTHERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 326.00 FEET, A CHORD LENGTH OF 88.93 FEET, A CHORD BEARING NORTH 08 DEGREES 22 MINUTES 28 SECONDS WEST FOR AN ARC LENGTH OF 89.21 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 653.11 FEET, A CHORD LENGTH OF 217.21 FEET, A CHORD BEARING NORTH 25 DEGREES 47 MINUTES 11 SECONDS WEST FOR AN ARC LENGTH OF 218.22 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 79.00 FEET, A CHORD LENGTH OF 58.96 FEET, A CHORD BEARING NORTH 57 DEGREES 16 MINUTES 06 SECONDS WEST FOR AN ARC LENGTH OF 60.42 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 66.00 FEET, A CHORD LENGTH OF 76.48 FEET, A CHORD BEARING NORTH 43 DEGREES 46 MINUTES 09 SECONDS WEST FOR AN ARC LENGTH OF 81.58 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 79.00 FEET, A CHORD LENGTH OF 58.96 FEET, A CHORD BEARING NORTH 30 DEGREES 16 MINUTES 11 SECONDS WEST FOR AN ARC LENGTH OF 60.42 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 653.08 FEET, A CHORD LENGTH OF 62.27 FEET, A CHORD BEARING NORTH 54 DEGREES 54 MINUTES 44 SECONDS WEST FOR AN ARC LENGTH OF 62.29 FEET; THENCE WESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 167.01 FEET, A CHORD LENGTH OF 72.13 FEET, A CHORD

BEARING NORTH 70 DEGREES 06 MINUTES 57 SECONDS WEST FOR AN ARC LENGTH OF 72.71 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF MARKET STREET; THENCE NORTH 00 DEGREES 36 MINUTES 19 SECONDS WEST ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID MARKET STREET BEING PARALLEL AND 33.00 FEET EAST OF THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE WEST LINE OF FRED G. CARROLL'S FIRST SUBDIVISION AS RECORDED IN PLAT BOOK "E" PAGE 183 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER AND THE WEST LINE OF TRACT "A", TRACT "B" AND TRACT "C" AS RECORDED IN BOOK 536 PAGES 312 TO 314 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 455.08 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE NORTHWEST CORNER OF SAID TRACT "A"; THENCE NORTH 89 DEGREES 40 MINUTES 07 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE NORTH LINE OF SAID TRACT "A" AND ALSO BEING THE NORTH LINE OF ROPER STREET ADDITION AS RECORDED IN PLAT BOOK "H" PAGE 110 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 725.29 FEET TO AN IRON PIPE SURVEY MONUMENT SET AT THE NORTHEAST CORNER OF LOT 8 OF SAID ROPER STREET ADDITION; THENCE SOUTH 00 DEGREES 27 MINUTES 42 SECONDS EAST ALONG THE EAST LINE OF LOT 8 OF SAID ROPER STREET ADDITION, A DISTANCE OF 184.18 FEET TO AN 5/8 INCH DIAMETER IRON PIPE SURVEY MONUMENT FOUND AT THE SOUTHEAST CORNER OF LOT 8 OF SAID ROPER STREET ADDITION; THENCE NORTH 89 DEGREES 35 MINUTES 08 SECONDS EAST, A DISTANCE OF 286.62 FEET TO AN IRON PIPE SURVEY MONUMENT SET ON THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD; THENCE SOUTH 17 DEGREES 39 MINUTES 59 SECONDS WEST ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID ILLINOIS CENTRAL RAILROAD, A DISTANCE OF 1,173.21 FEET TO A CHISELED "X" SURVEY MONUMENT SET ON THE NORTHERLY RIGHT-OF-WAY LINE OF BRADLEY AVENUE; THENCE SOUTH 89 DEGREES 30 MINUTES 17 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 183.75 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE SOUTH 88 DEGREES 59 MINUTES 23 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 48.97 FEET TO A CHISELED "X" SURVEY MONUMENT SET; THENCE NORTH 88 DEGREES 40 MINUTES 05 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 56.34 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 89 DEGREES 41 MINUTES 57 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 1.69 FEET TO THE POINT OF BEGINNING, ENCOMPASSING 18.63 ACRES, MORE OR LESS, SITUATED IN THE CITY OF CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS.

This instrument was prepared by:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

MORTGAGE

THIS INDENTURE made as of _____, 2018 by **Bristol Place Residences, LP**, an Illinois limited partnership ("Mortgagor"), in favor of the **City of Urbana, Illinois** ("Mortgagee").

WHEREAS the Mortgagor is justly indebted to the Mortgagee upon the Note ("Note") of even date herewith, in the principal sum of \$415,452, without interest, and with a maturity date of 20 years from the time of Project Completion in the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System, payable to the order of and delivered to the Mortgagee (the "Loan"); and

NOW, THEREFORE, to secure the payment of the said principal sum of money and said equity in accordance with the terms, provisions and limitations of this mortgage, and the performance of the Mortgagor's covenants and agreements herein contained, and also in consideration of the sum of \$10 in hand paid, the receipt whereof is hereby acknowledged, the Mortgagor does by these presents CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors and assigns, the real estate, legally described on Exhibit A attached hereto (the "Real Estate"), and all of the estate, right, title and interest therein, situated, lying and being in the City of Champaign, County of Champaign, and State of Illinois, to wit, which, with the property hereinafter described, is referred to herein as the "Premises."

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, awnings, stoves, and water heaters. All the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the Premises by Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the Premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from any and all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, if applicable, which said rights and benefits the Mortgagor does hereby expressly release and waive.

The name of the record owner is: Bristol Place Residences, LP, an Illinois limited partnership.

COVENANTS, CONDITIONS AND PROVISIONS

1. Definitions:

“Loan Agreement” means that certain Rental Housing Agreement between the City of Urbana and Mortgagor dated _____, 2018.

“Project” means the Premises and the improvements to be constructed thereon primarily consisting of a 90-unit affordable housing development known commonly as Bristol Place.

“Senior Lender” means collectively:

- (1) _____

- (2) _____

“Senior Loans” means collectively the

“Senior Loan Documents” means any and all of those certain Mortgages, Security Agreements and Fixture Filings by and between Mortgagor and Senior Lender, and all other documents evidencing, securing or governing the Senior Loans.

2. Mortgagor shall (a) in accordance with paragraph 7 hereof, promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep said Premises in good condition and repair in accordance with the City of Champaign building codes without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon said Premises; (e) comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof; (f) make no material alterations in said Premises except

for the improvements to be constructed in connection with the Loan and except as required by law or municipal ordinance.

3. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest.

4. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it will be unlawful to require Mortgagor to make such payment or (b) the making of such payment will result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable 60 days from the giving of such notice.

5. If, by the laws of the United States of America or of any state having jurisdiction in the Premises, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenant to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note secured hereby.

6. At such time as the Mortgagor is not in default either under the terms of the Note secured hereby or under the terms of this Mortgage, the Mortgagors shall have such privilege of making prepayments on the principal of said Note.

7. Mortgagor shall keep all buildings and improvements now or hereafter situated on said Premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee (subject to the rights of Senior Lender as set forth in the Senior Loan Documents), such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than 10 days prior to the respective dates of expiration. Subject to the rights of Senior Lender and notwithstanding any provision to the contrary in this Mortgage, in the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Mortgagor shall

have the right to rebuild the Project and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Mortgagee for repayment of the Loan or if such proceeds are insufficient, then Mortgagor shall have funded any deficiency; (b) Mortgagor shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, provided that in the event of a disagreement, the decision of the Senior Lender shall control; and (c) no material default then exists under this Mortgage or the Note and Loan Agreement. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding, subject to the rights of the Senior Lender, and partial repayment of the Loan in a manner that provides adequate security to Mortgagee for repayment of the remaining balance of the Loan.

8. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other moneys advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor.

9. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

10. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms of the Note or, as applicable, this Mortgage. At the option of the Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the Note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any required payment of principal or interest on the Note; provided, however, that Mortgagor shall have seven business days after receipt of notice of nonpayment to cure said default before Mortgagee can exercise any remedy hereunder; or (b) when default shall occur and continue for 30 days in the performance of any other agreement of the Mortgagor herein contained, which 30-day period shall be extended by an additional 90 days in the event cure of such default is commenced but cannot by its nature be completed within such 30-day period.

11. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof, subject to the rights of Senior Lender under Senior Loan Documents. In any suit to foreclose the lien hereof, there shall

be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the security hereof.

12. Subject to rights of Senior Lender under the Senior Loan Documents, the remaining proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; fourth, any remainder to Mortgagor, its successors, legal representatives or assigns, as their rights may appear.

13. Subject to rights of Senior Lender under the Senior Loan Documents, upon or at any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by an decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (b) the deficiency in case of a sale and deficiency.

14. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

15. *[Intentionally omitted.]*

16. If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provision hereof shall continue in full force. The Loan is a nonrecourse obligation of Mortgagor. Neither Mortgagor nor any of its general and limited partners, or their respective successors and assigns, nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Mortgagee under the Note and this Mortgage for repayment of the Loan shall be the exercise of its right against the Project and any related security thereunder.

17. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

18. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Note secured hereby.

19. If all or any part of the Premises or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Mortgage.

20. Unless the Mortgagor is in default as provided in this agreement, the Mortgagee shall forgive and waive payment of the outstanding balance of all loans made under this Loan upon its expiration and shall release the Mortgage made pursuant to this agreement. The Mortgagor shall pay any recordation costs. If, however, the Mortgagor is in default and fails to cure such default within 30 days from receipt of notice from the Mortgagee, the outstanding balance of all loans made under this Mortgage, if not sooner paid, will be immediately due and payable. This paragraph will survive the termination of this Mortgage. The Mortgage is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents. That certain Rental Housing Developer Agreement by and between Mortgagor and Mortgagee dated _____, 2018 is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents

21. Any notice required or permitted to be given under this Mortgage shall be deemed given (a) when personally delivered; (b) three business days after the date deposited in the United

States mail, by certified or registered mail, postage prepaid; or (c) the next business day following the date deposited, with all delivery charges prepaid, with a national delivery service for overnight delivery. Notices shall be addressed as follows:

If to Mortgagor: Bristol Place Residences, LP
 Attn: James Roberts
 15255 S. 94th Avenue, Suite 500
 Orland Park, IL 60462-3895

If to Mortgagee: Kelly H. Mierkowski
 Grants Management Division Manager
 City of Urbana
 400 S. Vine Street
 Urbana, IL 61801

Any recipient of notices under this provision may change its address for receipt of copies of notices by giving notice in writing stating its new address to all notice recipients hereunder.

(Signature page follows)

IN WITNESS WHEREOF, the MORTGAGOR has caused these presents to be signed by it on the day and year first written.

BRISTOL PLACE RESIDENCES, LP,

By: _____
James Roberts
Manager

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that James Roberts, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized Manager of AHDVS-Bristol Place, LLC, the said AHDVS-Bristol Place, LLC being the Manager of Bristol Place, LLC, as his free and voluntary act, and the free and voluntary act of AHDVS-Bristol Place, LLC and Bristol Place, LLC for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____ 2018.

Notary Public

CITY OF URBANA, ILLINOIS

Approved.

By: _____
Kelly Mierkowski
Manager, Grants Management Division

Date: _____

EXHIBIT A
Legal Description

A PART OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS; THENCE NORTH 89 DEGREES 30 MINUTES 17 SECONDS EAST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, A DISTANCE OF 243.79 FEET; THENCE NORTH 00 DEGREES 36 MINUTES 40 SECONDS WEST ALONG A SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 64 OF BRISTOL PLACE SUBDIVISION AS RECORDED IN PLAT BOOK "B" PAGE 228 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 28.36 FEET TO AN IRON PIPE SURVEY MONUMENT SET AT THE SOUTHEAST CORNER OF TRACT 3 AS DESCRIBED IN DOCUMENT 2009R08218 AS RECORDED IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER AND ALSO BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF BRADLEY AVENUE; THENCE SOUTH 89 DEGREES 41 MINUTES 57 SECONDS EAST ALONG THE NORTHERLY RIGHT OF WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 142.14 FEET TO A POINT OF BEGINNING; THENCE NORTH 00 DEGREES 32 MINUTES 05 SECONDS WEST, A DISTANCE OF 359.94 FEET; THENCE NORTHERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 326.00 FEET, A CHORD LENGTH OF 88.93 FEET, A CHORD BEARING NORTH 08 DEGREES 22 MINUTES 28 SECONDS WEST FOR AN ARC LENGTH OF 89.21 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 653.11 FEET, A CHORD LENGTH OF 217.21 FEET, A CHORD BEARING NORTH 25 DEGREES 47 MINUTES 11 SECONDS WEST FOR AN ARC LENGTH OF 218.22 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 79.00 FEET, A CHORD LENGTH OF 58.96 FEET, A CHORD BEARING NORTH 57 DEGREES 16 MINUTES 06 SECONDS WEST FOR AN ARC LENGTH OF 60.42 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 66.00 FEET, A CHORD LENGTH OF 76.48 FEET, A CHORD BEARING NORTH 43 DEGREES 46 MINUTES 09 SECONDS WEST FOR AN ARC LENGTH OF 81.58 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 79.00 FEET, A CHORD LENGTH OF 58.96 FEET, A CHORD BEARING NORTH 30 DEGREES 16 MINUTES 11 SECONDS WEST FOR AN ARC LENGTH OF 60.42 FEET; THENCE NORTHWESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 653.08 FEET, A CHORD LENGTH OF 62.27 FEET, A CHORD BEARING NORTH 54 DEGREES 54 MINUTES 44 SECONDS WEST FOR AN ARC LENGTH OF 62.29 FEET; THENCE WESTERLY ALONG A TANGENT CIRCULAR CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 167.01 FEET, A CHORD LENGTH OF 72.13 FEET, A CHORD BEARING NORTH 70 DEGREES 06 MINUTES 57 SECONDS WEST FOR AN ARC LENGTH OF 72.71 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF MARKET STREET; THENCE NORTH 00 DEGREES 36 MINUTES 19 SECONDS WEST ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID MARKET STREET BEING PARALLEL AND 33.00 FEET EAST OF THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE WEST LINE OF FRED G. CARROLL'S FIRST SUBDIVISION AS RECORDED IN PLAT BOOK "E" PAGE 183 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER AND THE WEST LINE OF TRACT "A", TRACT "B" AND TRACT "C" AS RECORDED IN BOOK 536 PAGES 312 TO 314 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 455.08 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE NORTHWEST CORNER OF SAID TRACT "A"; THENCE NORTH 89 DEGREES 40 MINUTES 07 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, ALSO BEING THE NORTH LINE OF SAID TRACT "A" AND ALSO BEING THE NORTH LINE OF ROPER STREET ADDITION AS RECORDED IN PLAT BOOK "H" PAGE 110 IN THE OFFICE OF THE CHAMPAIGN COUNTY RECORDER, A DISTANCE OF 725.29 FEET TO AN IRON PIPE SURVEY MONUMENT SET AT THE

NORTHEAST CORNER OF LOT 8 OF SAID ROPER STREET ADDITION; THENCE SOUTH 00 DEGREES 27 MINUTES 42 SECONDS EAST ALONG THE EAST LINE OF LOT 8 OF SAID ROPER STREET ADDITION, A DISTANCE OF 184.18 FEET TO AN 5/8 INCH DIAMETER IRON PIPE SURVEY MONUMENT FOUND AT THE SOUTHEAST CORNER OF LOT 8 OF SAID ROPER STREET ADDITION; THENCE NORTH 89 DEGREES 35 MINUTES 08 SECONDS EAST, A DISTANCE OF 286.62 FEET TO AN IRON PIPE SURVEY MONUMENT SET ON THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD; THENCE SOUTH 17 DEGREES 39 MINUTES 59 SECONDS WEST ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID ILLINOIS CENTRAL RAILROAD, A DISTANCE OF 1,173.21 FEET TO A CHISELED "X" SURVEY MONUMENT SET ON THE NORTHERLY RIGHT-OF-WAY LINE OF BRADLEY AVENUE; THENCE SOUTH 89 DEGREES 30 MINUTES 17 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 183.75 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE SOUTH 88 DEGREES 59 MINUTES 23 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 48.97 FEET TO A CHISELED "X" SURVEY MONUMENT SET; THENCE NORTH 88 DEGREES 40 MINUTES 05 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 56.34 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 89 DEGREES 41 MINUTES 57 SECONDS WEST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BRADLEY AVENUE, A DISTANCE OF 1.69 FEET TO THE POINT OF BEGINNING, ENCOMPASSING 18.63 ACRES, MORE OR LESS, SITUATED IN THE CITY OF CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS.

PROMISSORY NOTE
Secured by Mortgage

\$415,452
Urbana, Illinois

[_____, 2018]

FOR VALUE RECEIVED, **Bristol Place Residences, LP**, an Illinois limited partnership ("Maker"), promises to pay on or before the "maturity date" as defined in the Mortgage (defined below), to the **City of Urbana, Illinois**, a body politic and corporate, or its successors in interest ("Holder"), the total principal sum of \$415,452 or so much thereof as shall from time to time be advanced, without interest.

1. The Maker's obligation hereunder is secured by a Mortgage, bearing even date herewith, from Maker on a certain parcel of real property situated in the City of Champaign, Champaign County, Illinois (the "Mortgage"). Maker's obligation hereunder is due on Holder's demand upon the occurrence of an uncured default after the expiration of all applicable cure periods as set forth in the Mortgage.

2. Unless otherwise specified by the Holder hereof, any payment under this Note may be made by check subject to collection, in United States dollars, delivered to Holder at City of Urbana, Grants Management Division, 400 S. Vine Street, Urbana, Illinois 61801, or at such other address as the Holder of this Note shall specify to the Maker.

3. If the Holder files suit to recover on this Note, the Maker shall pay all costs of such collection, including reasonable attorneys' fees and court costs.

4. The Maker shall INDEMNIFY and DEFEND the Holder, its agents, employees, officers, and elected officials against all losses, damage, claims or liability whatsoever, including reasonable attorney's fees and costs, directly or indirectly resulting from the failure or alleged failure of the Maker to strictly and timely perform its obligations under this Note and the Mortgage referenced in Section 1 herein.

5. This Note is a nonrecourse obligation of Maker. Neither the Maker nor any of its general and limited partners, nor their respective successors and assigns, nor any other party shall have any personal liability for repayment of this Note. The sole recourse of the Holder under this Note for repayment of the loan shall be the exercise of its rights against the project and any related security thereunder.

[Signature page follows]

IN WITNESS WHEREOF, the Maker has executed this Note on the date above written.

BRISTOL PLACE RESIDENCES, LP,

By:

James Roberts
Manager

Dated

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that James Roberts, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized Manager of AHDVS-Bristol Place, LLC, the said AHDVS-Bristol Place, LLC being the Manager of Bristol Place, LLC, as his free and voluntary act, and the free and voluntary act of AHDVS-Bristol Place, LLC and Bristol Place, LLC for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____ 2018.

Notary Public