



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members

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

DATE: May 3, 2018

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

Update

Attached is a Resolution dedicating \$415,452 of the City of Champaign's allocation of Federal HOME funding to the developer responsible for constructing the Bristol Place residential development in Champaign. The Committee of the Whole reviewed the Resolution at its April 9, 2018, meeting. However, because the written agreement had not completed full review by the developer's attorney and project funders, the Resolution was kept in Committee until the April 23, 2018 Committee of the Whole meeting to provide time to finalize the legal documents.

At the April 23, 2018 meeting, the Committee of the Whole forwarded the Resolution to the Urbana City Council with no recommendation. Finalized loan documents and exhibits between the City of Urbana and Bristol Place Residences, LP are attached. No comments were received from other funding entities. Additional language clarified HOME regulations as they relate to maximum rent limits and the possible transition of rental units to homeownership units, while language was also added to ensure compliance with Davis-Bacon prevailing wage requirements.

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:
 - a. Regulatory and Land Use Restriction Agreement
 - b. Mortgage
 - c. Promissory Note
3. Proposed Site Map

Prepared by:

Matthew Rejc

Matthew Rejc, AICP
Community Development Coordinator
Grants Management Division

RESOLUTION NO. 2018-04-013R

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:

ABSTENTIONS:

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 by and between **Bristol Place Residences, LP**, an Illinois limited Partnership, having a principal place of business at c/o AHDVS, LLC, 15255 S. 94th Avenue, Suite 500, Orland Park, IL 60462 (“BORROWER”), and the **City of Urbana**, Illinois, a municipal corporation of the State of Illinois (“LENDER”), having its principal offices at 400 S. Vine Street, Urbana, IL 61801.

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 included 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 (eighty percent (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 gross annual household income of initial occupants of any CITY HOME ASSISTED UNIT must not exceed fifty percent (50%) of area median income as established by HUD.

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 December 31, 2019, in accordance with the Project Completion Schedule in 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) the Note, (b) the Mortgage of even date herewith executed by BORROWER and recorded on in the Recorder's Office of Champaign County ("Mortgage"), (c) this Rental Housing Agreement entered into by BORROWER and LENDER dated as of even date herewith, such agreement being on file at the offices of the City, and (d) the Regulatory and Land Use Restriction Agreement. The Regulatory and Land Use Restriction 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."

Therefore, the parties agree as follows.

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 ninety (90) dwelling units (the “PROJECT HOME ASSISTED UNITS”) in the PROJECT that will be assisted with HOME funds on the PROPERTY. The PROPERTY is legally described in Exhibit A, which is attached to this agreement. 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 hereto as Exhibit B.
 - 2. The Budget, attached hereto 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.

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 (eighty percent (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 fifty percent (50%) 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 fifty percent (50%) 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. § 42, and applicable HOME regulations, as amended, and defined by the Urbana HOME Consortium) cannot exceed the

maximum Low 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

BORROWER must obtain permission from the LENDER prior to changing the monthly rent at the CITY HOME ASSISTED UNITS. BORROWER must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

Due to the use of 9% 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. The rent may be raised to a Federal or State rental assistance program limit only if the tenant pays no more than 30 percent of adjusted income, the subsidy is project-based, and the tenant's income is less than 50 percent of the area median income.

- 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.

- e.) 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 IHDA 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.

- f.) Leasing: All leases between the BORROWER and tenants residing in a CITY HOME ASSISTED UNIT will be for not less than one (1) year in duration and will comply with and not contain any lease provisions prohibited by 24 CFR 92.253, as amended. 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). BORROWER must adopt written tenant selection policies and criteria for the PROJECT that meet the requirements listed at 24 CFR 92.253(d).

- g.) Certification of Tenants' Income: The BORROWER shall submit or cause to be submitted to the LENDER within ninety (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 twelve (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 eighty percent (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. 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.

- h.) 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.

- i.) Matching Funds: Matching funds in at least the amount of \$103,863.00 must be provided by the BORROWER.

Other Program Requirements

The BORROWER shall comply with requirements imposed by Title VIII of the Civil Rights Act of 1968 (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.

In accordance with all rules and regulations issued by HUD under Section 504 of the Rehabilitation Act of 1973, the BORROWER shall not discriminate against any person on the basis of his or her disabilities.

The BORROWER shall comply with any rules and regulations issued by HUD under the Age Discrimination Act of 1975, (42 U.S.C. 6101-07), as amended, and implementing regulations at 24 CFR Part 146, as amended.

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.

The BORROWER shall comply with the affirmative marketing requirements as enumerated in the Affordable Marketing Plan in Exhibit D.

The BORROWER shall comply with the requirements of 24 CFR Part 92 Subpart F, as amended, as applicable to this project.

Property Standards

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 (29 U.S.C. 794). 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 (42 U.S.C. 3601-3619). All CITY HOME ASSISTED UNITS must meet the property standards in 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 Council of American Building Officials.

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.

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 (5) 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 C.F.R. §§ 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: The BORROWER and its contractors and subcontractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a – 276a-5), as amended, with regard to all its requirements including wage rates paid pursuant to or as a result of this agreement. The BORROWER shall ensure that all construction contracts and sub-contracts executed as a result of this agreement include the applicable Davis-Bacon Wage Determination and all other documentation required by the Davis-Bacon Act. Contracts executed as a result of this agreement may also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C.3701 *et seq.*), as amended. The BORROWER shall complete necessary documentation as required by the Davis-Bacon Act. 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.

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.

The BORROWER shall comply with the Fair Labor Standards Act of 1938, as amended (29 USC 201, *et. seq.*) The BORROWER shall maintain documentation that demonstrates compliance with the requirements of this Part. The BORROWER shall make such documentation available to the LENDER for review upon request.

- e.) Debarment & 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.

- f.) 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 (1) 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).
- g) 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;
- _____ Section 3 Policy
 - _____ Section 3 Certification forms for businesses and residents
 - _____ Completed Section 3 Opportunities Plan
 - _____ Completed HUD 60002 Form
- 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.
- h.) 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.

- i.) Uniform Administration Requirements: The BORROWER agrees that it is subject to, and will 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, 85.36, 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.

The BORROWER agrees that it is subject to, and will 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.

- j.) Eligible and Ineligible Fees: The BORROWER will 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.

Payment Generally

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, in 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.

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.

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.

Recordkeeping

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 (5) years after the Affordability Period has terminated.

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.

General Provisions

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.

This agreement will be valid only after the Urbana City Council approves it by resolution or ordinance.

The parties are permitted to 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.

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.

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.

Enforcement

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:

- (a) 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;
- (b) Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;

- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) 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;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) 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.

For purposes of this agreement, a reasonable opportunity to respond to any default shall be thirty (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.

Unless the BORROWER's default is waived, the LENDER may, upon twenty-four (24) hour 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.

NOTICES

All notices required under this agreement must be in writing. Notices must be personally hand delivered or mailed by certified U.S. mail, return receipt requested, addressed to the respective party as shown below, or to any changed address either party may have fixed by notice. Notice will be deemed effective upon actual receipt of the notice, or, if certified mail delivery is not accomplished, notice will be deemed given on the date of the mailing. Either party may designate by written notice a different address to which notices must be sent.

BORROWER:

Name: James Roberts
Title: Manager
Organization: Bristol PlaceResidences, LP.
Address: c/o AHDVS, LLC
15255 S. 94th Avenue, Suite 500
Orland Park, IL

CITY OF URBANA as a Member of the URBANA CONSORTIUM:

Name: Kelly H. Mierkowski
Title: Grants Management Division Manager
Organization: City of Urbana
Address: 400 S. Vine Street
Urbana, IL 61801

In Witness Whereof, the parties hereto have executed this agreement as of the date
aforementioned.

[Signature page follows]

City of Urbana,
a municipal corporation of the State of Illinois

By: _____
Name: Diane Wolfe Marlin
Title: Mayor

Date: _____

ATTEST:

Charles A. Smyth
City Clerk

BRISTOL PLACE RESIDENCES, LP
an Illinois limited partnership

By: Bristol Place, LLC
an Illinois limited liability company
its General Partner

By: AHDVS-Bristol Place, LLC
an Illinois limited liability company
its Managing Member

Name: James Roberts
Title: Manager

Date: _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I the undersigned Notary Public in and for 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 and delivered the said instrument as his free and voluntary act in his capacity as manager of AHDVS-Bristol Place, LLC, the managing member of Bristol Place, LLC, the general partner of Bristol Place Residences, LP and as the free and voluntary act of said partnership for the 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 Low 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, HOME Program, and the project-based vouchers used by the Housing Authority of Champaign County.

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

Applicant Sources

Construction Period Sources

Construction period debt <i>Including equity bridge loans</i>	Lien Position	Amount	Interest Rate	Construction Term (Years)	Construction Debt Service	Comments
IFF	1st	\$2,200,000	5.38%	2.00	\$244,786	Co-1st Lien / Pari Passu Lender
Bank of America	2nd	\$10,761,612	3.19%	2.00	\$686,591	Co-1st Lien / Pari Passu Lender
HACC	3rd	\$1,500,000	2.00%	1.50	\$0	
City of Champaign	4th	\$400,000	0.00%	1.50	\$0	
					\$0	
Total		\$14,861,612			\$931,377	

Construction period grants <i>Grants available during construction</i>	Amount	Comments
AHP	\$750,000	
City of Champaign	\$200,000	
Total	\$950,000	

Construction period equity <i>Equity available during construction</i>	Type	Amount	Comments
NEF	LIHTC	\$3,365,288	25% of Total Contribution
US Bank	IAHTC	\$1,210,050	
GP Capital	Equity	\$100	
Total		\$4,575,438	

Total Construction Period Sources*	\$20,387,050
---	---------------------

* It is not a requirement for Total Construction Period Sources to equal Total Permanent Sources.

Permanent Sources

Permanent debt	Lien Position	Amount	Term (Years)	Amort (Years)	Rate	Annual D/S
Cinnaire	1st	\$5,300,000	15	35	5.75%	\$352,026
HACC	2nd	\$1,500,000	40	40	2.00%	\$0
City of Champaign	3rd	\$400,000	18	30	0.00%	\$0
						\$0
						\$0
Total		\$7,200,000				\$352,026

Grants	Amount	Comments
AHP	\$750,000	
City of Champaign	\$200,000	
Total	\$950,000	

Equity	Type	Amount	Allocation	Raise Rate	Comments
NEF	LIHTC	\$13,461,154	1,500,000	\$0.89750	
US Bank	IAHTC	\$1,210,050	1,344,500	\$0.90000	
GP Capital	Equity	\$100			
Total		\$14,671,304			

	Amount
Deferred Developer Fee	\$572,276
Financial Gap (If applying for IHDA soft funds to fill the financial gap, check cell D61)	\$0
Total Permanent Sources	\$23,393,580

25% of Total Developer Fee	75% of Cash Flow (years 1-12)
\$572,276	\$1,042,716
Deferred Fee as a % of Total Dev Fee	Deferred Fee as a % of Total Cash Flow (years 1-15)
25.0%	30.9%

Applicant Uses

Check (X) here if 4% determination request:

Note: If multiple costs are included in line items, please include a breakdown of individual costs in the comments section.

Check (X) here if identify of interest:
 Buyer and Seller:
 Owner and General Contractor:

Type	Description	Reference %	Cost	Per unit	Basis	Comments
				Units		
				90		
Acquisition	Land		1	0		
Acquisition	Building		0	0	0	
Acquisition	Holding Costs		0	0	0	
Acquisition			0	0	0	
Acquisition			0	0	0	
Subtotal	Acquisition		1	0		
Hard Costs	Residential: New Construction	97.3%	15,519,198	172,436	15,519,198	
Hard Costs	Residential: Rehabilitation	0.0%	0	0	0	
Hard Costs	Other: Commercial, Service, Offsite	2.0%	320,738	3,564	320,738	
Other Costs	Other GC Costs	0.7%	116,600	1,296	116,600	
Subtotal	Grand Total Construction Costs		15,956,537	177,295		
Con. Soft costs	Permits		2,100	23	2,100	
Con. Soft costs	Impact Fees		270,216	3,002	270,216	
Con. Soft costs	Environmental Remediation		0	0	0	
Con. Soft costs	Environmental Contingency	0.0%	0	0	0	
Contingency	Construction Contingency	5.0%	690,000	7,667	172,500	
Soft costs	Furniture Fixtures & Equipment (FF&E)		50,000	556	50,000	
Soft costs	Architect: Design	3.22%	492,000	5,467	492,000	
Soft costs	Architect: Supervision		21,600	240	21,600	
Soft costs	Civil Engineering	0.9%	150,000	1,667	150,000	
Soft costs	"Green" Certification Fees		78,000	867	78,000	
Soft costs	Legal		120,000	1,333	120,000	
Soft costs	Accounting/Cost Certification		55,000	611	55,000	
Soft costs	Survey		104,400	1,160	104,400	
Soft costs	Appraisal		35,500	394	35,500	
Soft costs	Environmental Report		24,950	277	24,950	
Soft costs	Soil Tests		69,544	773	69,544	
Soft costs	Market Study		20,000	222	20,000	
Soft costs	3rd Party Cost Estimate/PNA		43,220	480	43,220	
Soft costs	Title and Recording		40,327	448	40,327	
Soft costs	Relocation		0	0	0	
Soft costs	Marketing		34,166	380		
Soft costs	Initial Non-Marketing Rent Up Costs		36,170	402	36,170	
Soft costs	Bank of America Soft Cost Contingency		200,000	2,222	200,000	
Subtotal	Soft Costs		1,847,193	20,524		
Financing	IHDA application fees		4,000	44		
Financing	4% Determination Fee (TE bonds only)		67,255	747		
Financing	9% Reservation Fee		150,000	1,667		
Financing	P&P Bond/ Construction /LOC /Working Capital/Latent Defects LOC Fee		0	0		
Financing	IHDA Origination		0	0	0	
Financing	Other Loan Origination		163,712	1,819	163,712	
Financing	IHDA Legal Fees		10,000	111	10,000	
Financing	Other Lender Legal Fees		104,128	1,157		
Financing	Lender's Inspecting Architect		16,200	180	16,200	
Financing	Bond Issuance Fees		0	0		
Financing	Credit Enhancement Fee		0	0	0	
Financing	Bank Escrow Fee		0	0	0	
Financing	Rating Agency Fee		0	0	0	
Financing	BoA Good Faith Deposit		15,000	167	15,000	
Financing	Cinnaire Application Due Diligence Fee Forward Comt Fee		117,000	1,300	117,000	
Subtotal	Financing		647,295	7,192		

Interim	Construction / Bridge loan interest		931,377	10,349	931,377	
Interim	MIP / Credit Enhancement during construction		0	0	0	
Interim	Servicing fees during construction		0	0	0	
Interim	Real Estate Taxes During Construction		45,000	500	45,000	
Interim	Insurance During Construction		205,822	2,287	205,822	
Subtotal	Interim		1,182,199	13,136		
Syndication	Syndication legal		40,000	444		
Syndication	Partnership organizational expense		112,400	1,249		
Syndication	Other Syndication fees		12,000	133		
Subtotal	Syndication		164,400	1,827		
Reserves	Real Estate Tax Reserve	55.0%	24,750	275		
Reserves	Insurance Reserve	105.0%	46,695	519		
Reserves	Replacement Reserve		40,500	450		
Reserves	Existing Reserves		0	0		
Reserves	Operating Reserve		328,894	3,654		
Reserves	Debt Service Reserve		176,013	1,956		
Reserves	Furniture, Fixtures and Equipment Reserve		0	0		
Reserves	Transition Reserve		0	0		
Reserves	Interest Reserve		0	0		
Reserves	Project Base Section 8 Reserve		0	0		
Reserves	Lease Up Reserve		0	0		
Subtotal	Reserves		616,852	6,854		
Developer Fee	Developer Fee (inclusive of consultants, managers, etc.)		2,289,103	25,434		
Developer Fee	Less Identity of Interest Between Buyer and Seller		0	0		
Developer Fee	Less Identity of Interest Between Owner and GC		0	0		
Developer Fee	Total Developer Fee	11.96%	2,289,103	25,434	2,289,103	
Total	Grand Total		23,393,580	259,929	21,735,278	

Tax Credit Calculation

	4% - Acq.	4%	9%	Total
Eligible Basis	0		21,735,278	21,735,278
- Historic Tax Credits				0
- Deductions				0
X Boost (if eligible)	100.0000%	100.0000%	100.0000%	
= Eligible Basis	0		21,735,278	21,735,278
X Applicable Fraction	92.9202%	92.9202%	92.9202%	
= Qualified Basis	0		20,196,460	20,196,460
X Applicable Percentage (IRS published monthly rate)	3.2500%	3.2500%	9.0000%	
= Tax Credit Amount	0		1,817,681	1,817,681

Tax Credit Election

20% @ 50% AMI	
40% @ 60% AMI	X

Exhibit C - Budget
BRISTOL PLACE RESIDENCES, LP

HOME FUNDING AMOUNT: \$415,452.00

Project Funds are to be expended on the following activities:

New Construction of Affordable Rental Housing

HOME funds will be used to subsidize the construction affordable rental housing. Reimbursement for the following types of expenses related to hard costs may be provided by the LENDER:

- Site preparations or improvements
- Construction materials and labor

Reimbursement for the following types of expenses related to soft costs may be provided by the LENDER:

- Financing fees
- Credit reports
- Title binders and insurance
- Surety fees
- Recordation fees, transaction taxes
- Legal and accounting fees, including cost certification
- Appraisals
- Architectural/engineering fees, including specifications and job progress inspections
- Environmental reviews
- Builders' or developers' fees
- Affirmative marketing, initial leasing and marketing costs

Project Completion Schedule	
Construction commencement	June 30, 2018
Construction completion	December 31, 2019
Lease-up phase	No more than six (6) months after construction completion
Affordability period termination	Twenty (20) years after completion in HUD's Integrated Disbursement and Information System

Exhibit D
Affirmative Marketing Plan

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

**Illinois Housing Development Authority
AFFIRMATIVE FAIR HOUSING MARKETING PLAN**

FTC-11452

IHDA #

BRISTOL PLACE RESIDENCES

DEVELOPMENT NAME

I. INTRODUCTION

The Illinois Housing Development Authority ("IHDA") requires that each multifamily development, receiving loan financing from IHDA and/or participating in a HUD multifamily housing program, carry out a marketing program to attract prospective tenants of all minority and non-minority groups within the housing market area regardless of race, color, religion, sex, disability, familial status or national origin. In addition to any general marketing activities, each development must carry out an affirmative marketing program. These affirmative marketing efforts are to be directed toward the group(s) that, because of the development's location or other factors, is considered to be the 'least likely' to apply for housing at the development. The marketing program must also include outreach efforts to all persons with disabilities. In addition, those developments with accessible or adaptable apartments are to include, in their marketing program, specific outreach efforts to persons with physical disabilities. The specifics of this marketing program are detailed below.

II. OWNER AND DEVELOPMENT INFORMATION

A. OWNER

Company Name: Bristol Place Residences LP
Contact Person: James Roberts
Address: 15255 S. 94th Avenue, Suite 500
City/State/Zip: Orland Park, IL 60463
Telephone #: 708-248-6247
E-mail Address: Jrobertsahdvs@gmail.com

B. PROPERTY MANAGEMENT COMPANY

Firm Name: Lamoine Property Management Company, LLC
Contact Person: Valerie Roberts
Address: 15255 S. 94th Avenue, Suite 500
City/State/Zip: Orland Park, IL 60462
Telephone #: 708-428-6417
E-mail Address: Lamoinepm@gmail.com

C. ENTITY RESPONSIBLE for MARKETING

Owner Agent Other Specify _____

Position, Name (if known,) Address (including, City, State, & Zip Code) Telephone Number and E-mail Address

Position: Lamoine Property Management Company, LLC
Contact Person: Valerie Roberts
Address: 15255 S. 94th Avenue, Suite 500
City/State/Zip: Orland Park, IL 60462
Telephone #: 708-428-6417
E-mail Address: Lamoinepm@gmail.com

D. AFFIRMATIVE FAIR HOUSING MARKETING PLAN (Check all that apply)

Initial Plan/Date 4/8/2015 Updated Plan/Date: _____

Reason(s) for current update: _____

E. DATE OF INITIAL OCCUPANCY 10/1/2019

F. DEVELOPMENT DATA

Name: Bristol Place Residences
 Street Address: 1306 N. Clock Street
 City: Champaign Zip 61820-2710
 County: Champaign Census Tract: _____
 Telephone #: 708-428-6417
 E-mail Address: Lamoinepm@gmail.com
 # of Apartments: 90 Rental Range: From \$ \$725.00 to \$1,172.00
 Development Type: (Check One)
 Elderly Family Special Needs (describe) _____
 Other (describe) _____

Approximate Starting Dates: General Advertising 5/1/2019 Occupancy 10/1/2019

Describe the Market Area:

The Primary market area is the City of Champaign, while the expanded market area includes City of Urbana and County at large. The primary market area is comprised of matured residential communities, schools, parks, city hall, police Headquarters, banks, local retail and small commercial businesses, churches, local healthcare providers and physician offices.

III. DIRECTION OF SPECIAL MARKETING ACTIVITIES

A. MINORITY GROUP(S)

Indicate below, the racial or ethnic group(s) found in the development's primary market area that, because of the development's location or other factors, is least likely to apply for the housing without special outreach efforts.

White (non-Hispanic) Black/African American
 American Indian/Alaskan Native Asian
 Hispanic/Latino Native Hawaiian/Pacific Islander
 Other ethnic group, religion, etc. (specify) _____

B. OTHER POPULATION GROUP(S)

Indicate below, population group(s) that, because of the availability of accessible or adaptable designed apartments and/or apartments with more than two bedrooms, will be the focus of special outreach efforts.

Persons with Physical Disabilities Families with Children (if applicable)

IV. MARKETING PROGRAM

Indicate the means to be used in advertising the general availability of this housing as well as special outreach effort.

A. COMMERCIAL MEDIA

Newspaper(s)/Publication(s) Radio T.V. Billboards
 Other (specify) Flyers and Handouts and ILHousingSearch.org

(The Fair Housing Logo or slogan and the Wheelchair Logo must be used in all newspaper ads, publications and signage.)

Names of Newspapers, Radio or T.V. Stations	Reader/Audience	Size and Duration of Advertising
<u>Champaign News Gazette</u>	<u>General Population</u>	<u>Every Wednesday - 4 weeks</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

B. COMMUNITY CONTACTS

If a community group/organization is to be used as part of the general or special outreach marketing efforts, it is expected that contact with the group/organization listed below will be established and maintained throughout the initial marketing campaign and subsequent marketing efforts. Provide the following information for each contact, if more space is needed, attach an additional sheet.

1. Name of Group/Organization
2. Street Address
3. City, State & Zip Code
4. Identification of Audience to be Reached
5. Approximate Date of Contact or Proposed Contact

Group I	Group II
<u>Housing Authority of Champaign County</u>	<u>Statewide Referral Network</u>
<u>205 West Park</u>	<u>Illinois Department of Human Services</u>
<u>Champaign, IL</u>	<u>Springfield, IL</u>
<u>Public Housing Site Base Wait List</u>	<u>SRN Wait List</u>
<u>1-May-19</u>	<u>5/1/2019</u>
<u>Cindi Herrera 217-378-7100 ext. 5028</u>	<u>Alexis DeWeese 217-557-3095</u>

C. MARKETING ACCESSIBLE AND ADAPTABLE APARTMENTS

Those developments with accessible or adaptable apartments are to indicate below what specific outreach efforts will be employed to attract persons with physical disabilities, within the development's targeted population, to the accessible or adaptable apartments.

Specify: Outreach to local social service agencies and the local municipal governments including
Statewide Referral Network

D. ADDITIONAL MARKETING ACTIVITIES

1. BROCHURES AND SIGNS

a. Will brochures, leaflets, or handouts be used to advertise?

Yes No

Please attach a copy of all printed materials to be used as part of marketing program or submit when available. (The Fair Housing and Wheelchair Logo must be present in all printed material.)

b. All Project Site Signs should include the Equal Housing Opportunity logo, slogan, or statement. Check below all locations where the Project Site Sign will be displayed. (Check all that apply)

Rental Office Real Estate Office Model Unit
 Entrance to Project
 Other (specify) _____

(If a development logo will be displayed, the Fair Housing Logo, of equal size, must also be present.)

c. The AFHM Plan must be available for public inspection at the sales or rental office. Check below all locations where the AFHM Plan will be made available. (Check all that apply)

Rental Office Real Estate Office
 Model Unit Other (specify) _____

d. Will the project have any of the following: Rental Office Model
(The Fair Housing Poster must be conspicuously displayed in all areas where rentals and showings take place.)

2. OTHER ACTIVITIES (Specify) N/A

V. EXPERIENCE, STAFF TRAINING, and EVALUATION

A. EXPERIENCE

Has on-site staff had any experience in marketing housing to the minority group(s) and/or other population group(s) indicated above in Section III? Yes No

If yes, please provide the following information on the two most recent examples:
Development Name; Date of Marketing Effort; Population Group

Example #1	Example #2
<u>St. Elizabeth Residences</u>	<u>Hawthorne Lakes Senior Residences</u>
<u>Seniors</u>	<u>Seniors</u>
<u>Sept 2018 - April 2018</u>	<u>Completed</u>

B. TRAINING/CERTIFICATIONS

Staff training is to include: Fair housing laws and regulations, outreach and Affirmative Fair Housing Marketing Plan implementation. Please indicate below how this is to be accomplished. Please provide evidence of staff training, for example; certificates.

Staff attends annual fair housing seminars and all staff members are required to possess a fair housing certificate. Staff attends fair housing training offered by Nan McKay.
See attached Fair Housing Certificates for staff.

C. MARKETING STAFF

What staff positions are/will be responsible for affirmative marketing?

Property Manager

D. EVALUATION OF MARKETING ACTIVITIES

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting the group(s) least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

Pre Applications will ask prospective applicants how they became aware of the property.
Pre Applications will be reviewed quarterly. Also, if management efforts are unsuccessful in reaching out to the least likely to apply groups selected in Section III A, we will attempt to identify specific agencies that services these groups and attempt to establish a dialogue that will afford us an opportunity to make them aware of the housing options our property offers.

V. SIGNATURES AND APPROVAL

OWNER

<u>James Roberts</u> Name	<u>General Partner Manager</u> Title
<u>James Roberts</u> Signature	<u>3/8/2018</u> Date

MANAGING/MARKETING AGENT

Valerie Roberts
Name

Senior Managing Director
Title

V. Roberts
Signature

3/8/2018
Date

IHDA APPROVAL

NA
Name

Title

Signature

Date

[this page has been intentionally left blank]

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, having a principal place of business at 15255 S. 94th Avenue, Suite 500, Orland Park, IL (“Borrower”), and the **City of Urbana**, an Illinois municipal corporation (“City”), having its principal offices at 400 S. Vine Street, Urbana, IL 61801.

Background

Borrower is the owner of certain real property legally described in Exhibit A attached hereto and by this reference made a part hereof (the “Real Estate”).

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 Borrower in the original, principal amount of Four Hundred Fifteen Thousand Four Hundred Fifty Two and No 1/100ths Dollars (\$415,452) (“Loan”), to be used for the eligible costs associated with the construction of an affordable housing development with 90 total units, as more fully set forth herein.

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 Borrower by 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 Recorder’s Office of Champaign County (“Mortgage”), (c) the Rental Housing Agreement entered into by

Borrower and 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, Borrower has agreed to enter into this Regulatory Agreement in accordance with the terms, conditions, and covenants set forth below and 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 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. 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. 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 ninety (90) dwelling units in conformity with site plans approved by the City of Champaign. Two (2) of the ninety (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 50% 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. The rent may be raised to a Federal or State rental assistance program limit only if the tenant pays no more than 30 percent of adjusted income, the subsidy is project-based, and the tenant’s income is less than 50 percent of the area median income.
- B. In the advertising, marketing and rental of the City HOME Units and the selection of tenants for the Project, Borrower agrees to abide by the terms and conditions of the Tenant Selection Plan executed by Borrower and approved by City, Affirmative Fair

Housing Marketing Plan executed by Borrower and approved by City, the Project Agreement (as such documents may be amended from time to time with the prior written consent of City), the HOME Act, the Regulations, and all applicable ordinances, regulations, rules, procedures and requirements of City.

- C. 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. 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, Borrower agrees to 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 and Borrower. 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 City.
- E. On forms approved by City, Borrower shall obtain from each prospective tenant, prior to its 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 City conduct a reexamination of income in accordance with Section 92.252(h) of the Regulations (the "Reexamination") from all such tenants. Borrower shall submit the initial Determination and results of each subsequent Reexamination to City in the manner prescribed by City.
- F. In the manner prescribed by City, 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 Borrower for five (5) 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, Borrower shall provide tenants of City HOME Units not less than thirty (30) days' prior written notice before implementing any increase in rents.
- H. City HOME Units shall 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 thirty percent (30%) of the Family's Adjusted monthly Income, as recertified annually.

- I. Borrower shall require all tenants occupying City HOME Units to execute a lease in a form approved by City in accordance with Section 92.253 of the Regulations (24 CFR 92.253), as amended, and any and all applicable provisions of the Regulations.
- J. 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. Borrower shall submit to City on an annual basis the rent schedule for the City HOME Units reflecting the actual rates being charged at the Project.
- L. Borrower shall not evict any tenant from a City HOME Unit in the Project without good cause.
- M. Within thirty (30) days after the end of each calendar year, Borrower shall certify to City that, at the time of such certification and during the preceding calendar year, Borrower was in compliance with the requirements of this Paragraph 2, or, if Borrower is not or has not been in compliance with such requirements, Borrower shall give notice to City of its failure to comply and the corrective action 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, the occupancy and rental restriction provisions of this Paragraph 2 shall remain in effect for a period of twenty (20) years from the date of Project Completion (the "Affordability Period"). Units may be sold to eligible tenants who already occupy the units in compliance with all applicable HOME regulations. If no additional HOME funds are used in the rental to homebuyer conversion, then then the homeownership units would be subject to the HOME resale provisions and an period of affordability equal to the remaining affordability period that would apply if the units continued as rental units. Otherwise, a new affordability period must be based on the amount of additional HOME assistance invested in the property in accordance with the Urbana HOME Consortium's policies. 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, 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 (1) year, unless otherwise mutually agreed in writing by 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 Borrower's knowledge, would result in a conflict of interest between any of the parties to such contracts and City, its Board members, officers, employees, agents or members of their respective immediate families.
- 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 (1) 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. Borrower further covenants, represents and warrants to 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 City and the Borrower agree that the only work to be done in connection with the Project shall be that described in the Project Agreement.
- C. Insurance Proceeds. If the Borrower received 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. Borrower shall expeditiously complete construction of the Project, as set forth in the Project Agreement. 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 City), (ii) industry practices in Illinois and (iii) applicable rules,

contracts, agreements, procedures, guides and other requirements of City provided to Borrower in writing.

- E. Furnishing Records, Reports, and Information. At the request of City, the Borrower shall furnish such records and information as required by the City in connection with the maintenance, occupancy, and physical condition of the Real Estate. At the request of City, Borrower shall furnish 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 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 Borrower by City or its agents or representatives at any time during regular business hours as City reasonably requires.

5. Violation of Agreement by Borrower. Upon violation of any of the provisions of this Regulatory Agreement by Borrower, City shall give written notice thereof to Borrower in the manner provided in Paragraph 14 hereof. If such violation is not corrected to the satisfaction of City within thirty (30) days after the date such notice is mailed, or within such further time as City in its sole discretion permits (but if such default is of a nature that it cannot be cured within such thirty (30) day period, then so long as Borrower commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, such violation shall not be considered to be a 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 (“Default”), 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:

- A. 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.
- B. Withhold further disbursement of the Loan.
- C. 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 Borrower’s obligations under this Regulatory Agreement, the Note, the Mortgage, the other Loan Documents and such other obligations of Borrower in connection with the Project and the necessary expenses of preserving and operating the Project.
- D. 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 Borrower in

connection with the operation of the Project and operate the Project in accordance with the terms of this Agreement until such time as City, in its sole discretion, determines that 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.

- E. 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. 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, 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.
- F. Subject to the rights of Senior Lenders, as defined in the Mortgage, use and apply any monies deposited by 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 Project Agreement or any other Loan Document which is due and owing to the City.
- G. Exercise such other rights or remedies as may be available to the City hereunder, under any other Loan Document, at law or in equity.

6. Waiver. 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 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 shall 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 and obligations of such transferor arising under this Regulatory Agreement from and after such sale or transfer. Such assumption shall 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 obligations in form and substance acceptable to City as a condition precedent to such party'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") shall be deemed to run with, bind and burden the Real Estate and the Project and shall be deemed to bind any New Borrower and any other future owners of the Real Estate and/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 (the "Cancellation Date") 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 Borrower or tendered by any party following an acceleration by City of the Note or enforcement by City of its remedies in connection with the Loan. The Borrower shall, if so requested by City, execute a written memorandum, prepared by 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 shall 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 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, as amended, provided that any such acquisition shall be subject to existing mortgages between Borrower and Senior Lender (as defined in the Mortgage).
- B. It is hereby expressly acknowledged by Borrower that the undertaking of the Obligations by Borrower is given to induce City to make the Loan and that, 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

- A. The Borrower shall indemnify and defend the City, its respective officers, agents, employees or servants 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 under 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 that the Borrower will have no liability for damages or the costs incident thereto caused by the sole negligence or intentional misconduct of the City, or its officers, employees or agents.

- B. If a claim or suit is brought against the City, or its respective officers, agents, employees or servants, for which the Borrower is responsible pursuant to Paragraph 9(A) above, the Borrower shall defend, at the Borrower's cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, reasonable expenses or settlements against the City, or its respective officers, agents, employees or servants.

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 obligations 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 Project Agreement, Mortgage, Note, or any other Loan Document, 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 shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest and assigns; provided, however, that Borrower may not assign this Regulatory Agreement or any of its obligations hereunder, without the prior written approval of 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. Any notice required or permitted to be given under this Regulatory Agreement shall be deemed given (i) when personally delivered, or (ii) three (3) business days after the date deposited in the United States mail, by certified or registered mail, postage prepaid, or (iii) the next business day following the date deposited, with all delivery charges prepaid, with a national delivery service for overnight delivery. 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. Notices shall be addressed as follows:

If to Borrower:

Bristol Place Residences, LP.
James Roberts
15255 S. 94th Avenue
Suite 500
Orland Park, IL

If to City:

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

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

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

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

18. Limited Non-Recourse Obligation. Notwithstanding anything herein to the contrary, the indebtedness evidenced by the Note shall be a non-recourse obligation of Borrower and neither Borrower nor any general or limited partner of Borrower or their respective successors or assigns, no any related or unrelated party, shall have any personal liability for repayment of said indebtedness or any other amounts evidence 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 (as defined in the Project Agreement) and any other collateral under the Loan Documents, including without limitation (i) the Project and the rents issues, profits and income therefrom, (ii) any funds or property held pursuant to any of the Loan Documents, and (iii) 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 the Project, this Regulatory Agreement or any of the Loan Documents and agree that any such action or proceeding shall 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]

This Regulatory Agreement is effective as of the date executed by the City.

City of Urbana

By: _____
Diane Wolfe Marlin
Mayor

_____ Dated

ATTEST:

Charles A. Smyth
City Clerk

BRISTOL PLACE RESIDENCES, LP
an Illinois limited partnership

By: Bristol Place, LLC
an Illinois limited liability company
its General Partner

By: AHDVS-Bristol Place, LLC
an Illinois limited liability company
its Managing Member

Name: James Roberts
Title: Manager

Dated

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I the undersigned Notary Public in and for 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 and delivered the said instrument as his free and voluntary act in his capacity as manager of AHDVS-Bristol Place, LLC, the managing member of Bristol Place, LLC, the general partner of Bristol Place Residences, LP and as the free and voluntary act of said partnership for the 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.

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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, having a principal place of business at 15255 S. 94th Avenue, Suite 500, Orland Park, IL (“Mortgagor”), in favor of **City of Urbana, Illinois** (“Mortgagee”), having its place of business at 400 S. Vine Street, Urbana, IL 61801, witnesseth:

THAT WHEREAS the Mortgagor is justly indebted to the Mortgagee upon the Note (“Note”) of even date herewith, in the principal sum of Four Hundred and Fifteen Thousand Four Hundred and Fifty Two and No/100ths Dollars (\$415,452.00), without interest, and with a maturity date of twenty (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 Ten Dollars 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 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 (1) 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; (2) 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; (3) 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; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said Premises; (5) comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof; (6) 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 sixty (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 ten (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 (7) 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 thirty (30) days in the performance of any other agreement of the Mortgagor herein contained, which 30-day period shall be extended by an additional ninety (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 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; or (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: (1) 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; (2) 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. Notwithstanding the foregoing, the limited partner of Mortgagor may transfer or assign its limited partner interest without Mortgagee's prior consent. Further, neither the withdrawal, removal, replacement, and/or addition of a general partner of the Mortgagor pursuant to the terms of the Mortgagor's limited partnership agreement, nor the withdrawal, replacement, and/or addition of any of its limited partners or its limited partner's general partners or members, shall constitute a default under this Mortgage or the Loan, and any such actions shall not accelerate the maturing of the Loan.

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 thirty (30) days from receipt of notice from the Mortgagee, the outstanding balance of all loans made under this agreement, if

not sooner paid, will be immediately due and payable. This paragraph will survive the termination of this agreement. 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 (i) when personally delivered, or (ii) three (3) business days after the date deposited in the United States mail, by certified or registered mail, postage prepaid, or (iii) 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: James Roberts
Bristol Place Residences, LP
15255 S. 94th Avenue
Suite 500
Orland Park, IL

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

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

an Illinois limited partnership

By: Bristol Place, LLC
an Illinois limited liability company
its General Partner

By: AHDVS-Bristol Place, LLC
an Illinois limited liability company
its Managing Member

Name: James Roberts
Title: Manager

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I the undersigned Notary Public in and for 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 and delivered the said instrument as his free and voluntary act in his capacity as manager of AHDVS-Bristol Place, LLC, the managing member of Bristol Place, LLC, the general partner of Bristol Place Residences, LP and as the free and voluntary act of said partnership for the purposes therein set forth.

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

Notary Public

EXHIBIT A
Legal Description

NOTE: NEW LEGAL DESCRIPTION WILL BE INSERTED FOLLOWING ON SUBDIVISION APPROVAL

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

\$415,452.00
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 Four Hundred and Fifteen Thousand Four Hundred and Fifty Two and No/100ths Dollars (\$415,452.00) 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 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 Maker 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 this Note. The sole recourse of 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

an Illinois limited partnership

By: Bristol Place, LLC
an Illinois limited liability company
its General Partner

By: AHDVS-Bristol Place, LLC
an Illinois limited liability company
its Managing Member

Name: James Roberts
Title: Manager

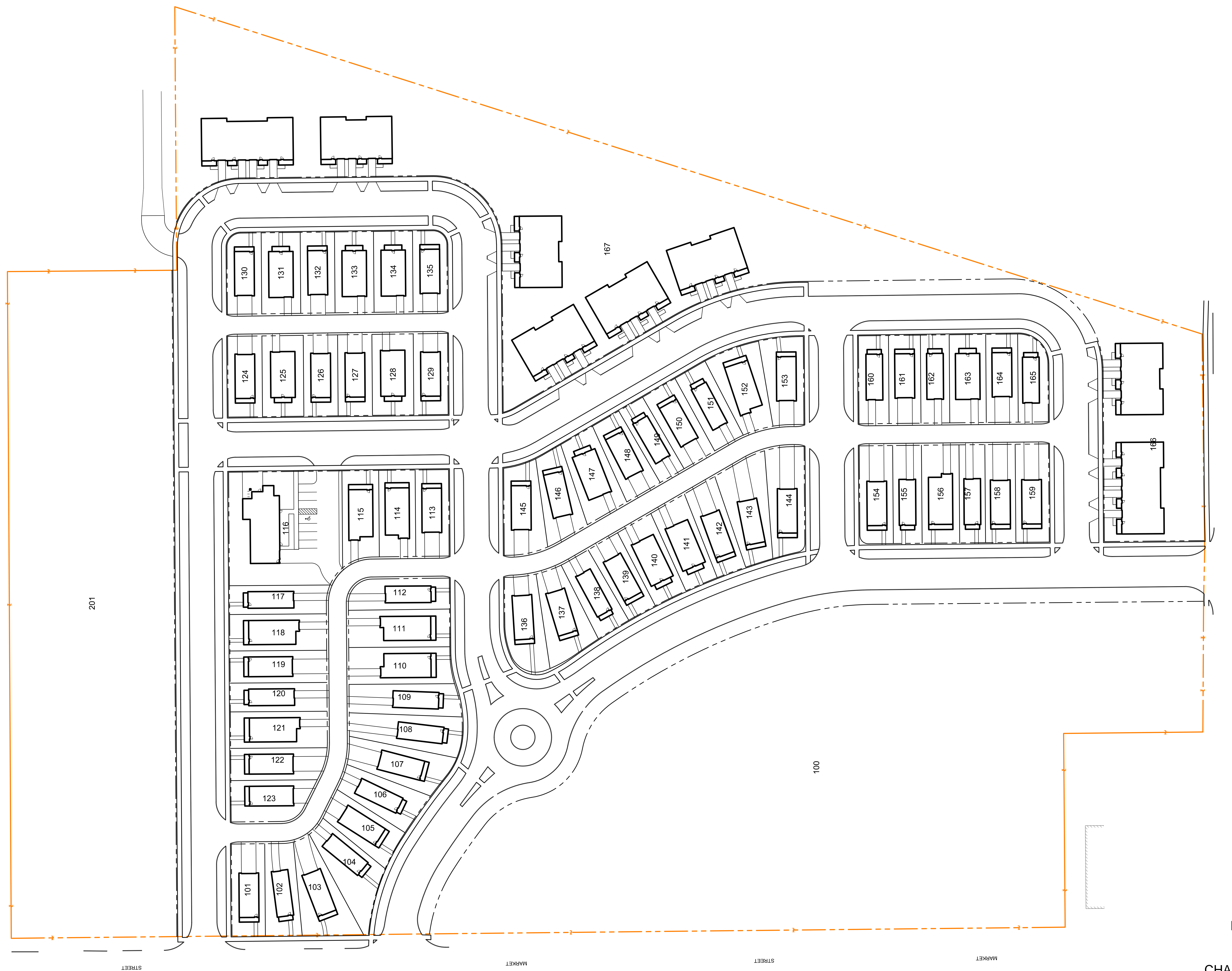
STATE OF ILLINOIS)
) SS
COUNTY OF _____)

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 manager of AHDVS-Bristol Place, LLC, the managing member of Bristol Place, LLC, the general partner of Bristol Place Residences, LP as his free and voluntary act for the uses and purposes therein set forth.

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

Notary Public

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SITE PLAN

BRISTOL PLACE
REDEVELOPMENT SITE
CITY OF CHAMPAIGN,
CHAMPAIGN COUNTY, ILLINOIS

BCA

BERNS, CLANCY AND ASSOCIATES
ENGINEERS • SURVEYORS • PLANNERS
405 EAST MAIN STREET - POST OFFICE BOX 755
URBANA, ILLINOIS 61803-0755
PHONE: (217) 384-1144 - FAX: (217) 384-3355