MACY’S APARTMENTS (PORT LAWRENCE AND VISTULA DIVISION)

This information is taken from public records filed with the Lucas County Recorder’s Office. Port Lawrence Title and Trust Company assumes no liability for the accuracy or completeness of the information contained herein.
REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS AGREEMENT dated as of July 15, 1995 (the "Agreement") is made and entered into this 3rd day of August, 1995, by and between the City of Toledo, Ohio, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Ohio and a duly adopted Charter (hereinafter referred to as the "City"), and Macy's Apartments, L.L.C., a limited liability company organized under the laws of the State of Wisconsin and qualified to do business in the State of Ohio with offices at 660 West Washington Avenue, Suite 303, Madison, Wisconsin 53703 (hereinafter referred to as the "Developer").

WITNESSETH:

WHEREAS, the Developer has agreed to redevelop the real property described in Exhibit "A" hereto, which description is incorporated herein, by rehabilitating the existing facility located thereon into an apartment complex containing approximately 150 units (the "Project"); and

WHEREAS, the acquisition and construction of the Project is being financed, in part, by a loan (the "Loan") to the Developer from the Issuer pursuant to an agreement (the "Loan Agreement") between the Developer and the Issuer; and

WHEREAS, the Loan will be funded, in part, from proceeds of the sale of $7,475,000 Housing Improvement Bonds, Series 1995A (Macy's Project) (the "Bonds") to be issued by the Issuer pursuant to an ordinance passed by the City Council of the Issuer on June 20, 1995, the interest on which is intended to be excluded from gross income for federal income tax purposes by reason of the Project being operated continuously in compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations thereunder; and

WHEREAS, because operation of the Project in compliance with Section 142(d) of the Code is in large part within the control of the Developer, the Issuer is unwilling to issue the Bonds unless the Developer consents to be regulated by the Issuer to preserve the tax-exempt status of interest on the Bonds under Section 142(d) of the Code;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Developer and the Issuer agree as follows:

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for the purposes hereof:

"Area Median Gross Income" shall mean the median gross income for the area in which the Project is located as determined under Section 8 (or, if such project is terminated, under such program as in effect immediately before such termination) and as published annually by the U.S. Department of Housing and Urban Development ("HUD") in a document currently captioned Low-Income and very Low-Income Limits—Ohio.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations relevant thereto as they may exist from time to time.

Completion Date" shall mean the date of completion of the construction of the Project as specified in the certificate of completion of the Project required by the Loan Agreement to be delivered to the Issuer by the Developer.
"Loan Documents" shall mean the Loan Agreement, the Certificate of Continuing Program Compliance attached as Exhibit B hereto (from and after the date on which it is first executed), the Note and the Open-End Mortgage and Security Agreement and the Assignment of Rents and Leases securing the Developer's obligations under the Loan Agreement and the Note.

"Note" shall mean the promissory note in a principal amount equal to the principal amount of the Loan executed by the Developer in accordance with the provisions of the Loan Agreement.

"Qualified Project Period" shall mean the period commencing on the first day on which at least ten percent (10%) of the residential units in the Project are first occupied (or, if later, the date on which the Bonds are issued) and ending on the latest of the following: (i) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Project are first occupied; (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding; or (iii) the date on which any assistance provided with respect to the Project under Section 8 terminates.

"Qualified Tenants" shall mean individuals or families whose income does not exceed sixty percent (60%) of the Area Median Gross Income; provided, however, that if all the occupants of a Unit are students (as defined in Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, the occupants of that Unit shall in no event be deemed to be "Qualified Tenants." The income of individuals and Area Median Gross Income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and Area Median Gross Income under Section 8 (or, if such program is terminated, under such program in effect immediately before such termination). Determinations under the preceding sentence shall include adjustments for family size as prescribed under Section 8, e.g., a family of four generally will qualify if the family has an income of sixty percent (60%) or less of the area median income; a family of three having an income of fifty-four percent (54%) or less generally will qualify; a family of two having an income of forty-eight percent (48%) or less generally will qualify; and a single individual having an income of forty-two percent (42%) or less generally will qualify. Income excluded under the special exception to the below-market interest rules for deposits in qualified continuing care facilities under Section 7872(g) of the Code is to be taken into account in determining the income of tenants.

"Section 8" shall mean Section 8 of the United States Housing Act of 1937.

"Unit" shall mean "unit" as defined in Treasury Regulation §1.103-8(h)(8)(i), that is, any accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation. Such accommodations may be served by centrally located equipment, such as air conditioning or heating. Thus, for example, an apartment containing a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator, and sink, all of which are separate and distinct from other apartments, would constitute a unit.

Any term not defined in this Agreement shall have the same meaning as defined for purposes of Section 142 of the Code and Treasury Regulations relevant thereto.

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. All the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof. The titles and headings of the sections hereof have been inserted for convenience of reference only and are not to be
considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this instrument or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 2. Qualified Tenants. To the end of satisfying the requirements of the Issuer, Section 142(d) of the Code, and the Treasury Regulations relevant thereto, the Developer hereby represents, covenants, and agrees as follows:

(a) The Project is being acquired for the purpose of providing "residential rental property", as such phrase is used in Section 142(d) of the Code, and will constitute residential rental property. In the event a Unit within a "building or structure" (as defined in Treasury Regulations §1.103-b(8)(v)) is occupied by the Developer, the building or structure must include no fewer than four Units not occupied by the Developer;

(b) At all times during the Qualified Project Period, the Developer will ensure that Qualified Tenants occupy at least forty percent (40%) of completed Units, unless in the opinion of nationally recognized bond counsel acceptable to the Issuer occupancy of a lower percentage of Units by Qualified Tenants will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. For purposes of this subsection, a Unit occupied by an individual or family who at the commencement of the occupancy is a Qualified Tenant is treated as occupied by such an individual or family during their tenancy in such Unit, even though they subsequently cease to be a Qualified Tenant. However, the preceding sentence shall cease to apply to any resident whose income under the most recent determination exceeds 150% of the applicable income limit if after such determination, but before the next determination, any Unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable income limit. The form of lease to be used by the Developer in renting any units in the Project to a person who is intended to be a Qualified Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualified Tenant as a result of any material misrepresentation made by such person with respect to the income certification, and shall require that the tenant of the Unit certify the income of the residents of the Unit annually and at any time as the Developer may reasonably request;

(c) The Developer will prepare and submit to the Issuer, within 30 days after first occupancy of (i) ten percent (10%) of the Units and (ii) fifty percent (50%) of the Units in the Project, certificates in recordable form executed by the Developer stating the date upon which those respective percentages of Units in the Project were first occupied;

(d) At all times during the Qualified Project Period, the Developer will obtain and maintain on file income certifications from each Qualified Tenant residing in the Project as to the anticipated income of such Qualified Tenant for the period of twelve consecutive months beginning with the date on which the Qualified Tenant first occupied a Unit or first signs a lease for a Unit and for each 12 month period thereafter, in the form and manner as may be required by applicable rules, regulations, or policies now or hereafter promulgated by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code, the current form of which is attached hereto as Exhibit "C." In addition to the income certifications provided for herein, the Developer shall submit any other information, documents, or certifications requested by the Issuer that the Issuer deems reasonably necessary to substantiate the Developer's continuing
compliance with the provisions of the Loan Agreement and Section 142(d) of the Code:

(c) At all times during the Qualified Project Period, the Developer will obtain and maintain on file from each Qualified Tenant residing in the Project a copy of such Qualified Tenant’s federal income tax return for the taxable year immediately preceding such Qualified Tenant’s initial occupancy in the Project and each year thereafter or other satisfactory evidence of income for such year;

(f) The Developer will permit any duly authorized representative of the Issuer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Developer pertaining to the incomes of Qualified Tenants residing in the Project;

(g) During the Qualified Project Period, the Developer will prepare and submit to the Issuer, within 15 days after the first day of each month, a certificate executed by the Developer, attached hereto as Exhibit B, stating that at all times during the preceding month at least forty percent (40%) of the completed Units were occupied by Qualified Tenants (or, in the case of Units previously rented to Qualified Tenants and subsequently held vacant, without an intervening tenancy other than for a temporary period not exceeding 31 days, were available for occupancy by Qualified Tenants) and that all Units were rented or available for rental on a continuous basis during such month to members of the general public (except for those Units rented to resident managers or maintenance personnel or with assistance under Section 8, which were rented or available for rental to eligible tenants in accordance with the constraints and regulations relating to Section 8); and

(h) The Developer shall submit to the Secretary of the Department of the Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. The Developer shall simultaneously send copies of such certifications to the Issuer and to the Trustee. The Developer acknowledges that failure to file such certification shall subject the Developer to penalty (presently, though subject to change, $100 per day for every day after the due date that the report is not filed) as provided in Section 6652(j) of the Code.

Section 3. Residential Rental Property. The Issuer and the Developer hereby covenant and declare their understanding and intent that the Project is to be owned, managed, and operated as a "qualified residential rental project" as such phrase is used in Section 142(d) of the Code and that each Unit will be rented or available for rental continuously until termination of the Qualified Project Period. Each party further covenants to take any lawful action (including amendment of this Agreement as may be necessary in the opinion of nationally-recognized bond counsel) to comply fully with all applicable rules, ruling, policies, procedures, regulations, or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project. To facilitate compliance with these covenants, the Developer hereby represents, covenants, and agrees that:

(a) The Project is being acquired and constructed for the purpose of providing residential rental property, and the Developer (or transferee under Section 5 hereof) shall own, manage, and operate the Project to provide residential rental property comprised of a building or structure, together with functionally related and subordinate facilities, containing one or more similarly constructed Units, and no other facilities, in accordance with Section 142(d) of the Code and Treasury Regulation §1.103-8(b);
(b) Substantially all of the Project will contain one or more similarly constructed units and functionally related and subordinate facilities;

(c) Each Unit in the Project shall be similarly constructed and will continue to constitute a Unit;

(d) Once available for occupancy, each Unit shall be rented or available for rental on a continuous basis to members of the general public (except for those Units to be rented to a resident manager or maintenance personnel or with assistance under Section 8, which are to be rented or available for rental to eligible tenants in accordance with the constraints and regulations relating to Section 8) and the Developer shall not give preference in renting Units in the Project to any particular class or group of persons, other than Qualified Tenants to the extent required under Section 142(d);

(e) None of the Units in the Project shall at any time be used on a transient basis; none of the Units in the Project shall at any time be leased or rented for a period of less than six (6) months; and neither the Project nor any portion thereof shall at any time be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, retirement home, or trailer court or park;

(f) No action will knowingly be taken or permitted that would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(g) No part of the Project will at any time be owned or used by a cooperative housing corporation;

(h) Qualified Tenants will have equal access to and enjoyment of all common facilities of the Project;

(i) The Project will be owned in its entirety by the Developer, will be financed pursuant to a common plan, and will be located on a single parcel of land or two or more contiguous parcels of land (except for the interposition of a road, street, stream or similar property), and all of the improvements comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting, and operation of the Project;

(j) The Developer will not convert the Project to condominium or cooperative ownership; and

(k) Units occupied by Qualified Tenants will be reasonably interspersed throughout the Project.

Section 4. Term: Transfer.

(a) This Agreement shall be placed of record in the Office of the Recorder of Lucas County, Ohio, the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Developer, and its successors and assigns and all subsequent owners or operators of the Project or any interest therein, and the Issuer and its successors and assigns, for the Qualified Project Period.
(b) Unless sooner terminated in accordance with Section 6 hereof, such covenants, reservations and restrictions as are contained in Sections 3 and 4 hereof shall continue in full force and effect during the respective periods set forth therein, it being expressly agreed and understood that except as otherwise expressly stated herein the provisions hereof are intended to survive the expiration of the Loan Agreement, Project Note and the Loan Documents, if such expiration occurs prior to those periods. As a condition to a transfer in whole or in part of the Project to any grantee, purchaser, or any other person or entity, said grantee, purchaser, or other person or entity shall assume the obligations set forth herein, including this Section, and agree to perform the same and be bound by all provisions, covenants, restrictions, reservations, charges and easements contained herein. The Developer shall deliver an agreement of assumption to the Issuer prior to any such transfer.

Section 5. Remedies; Enforceability.

(a) In the event of a violation or attempted violation of any of the provisions hereof, the Issuer and its successors and assigns, may institute and prosecute any proceeding at law or in equity to enjoin the provisions hereof or to abate, prevent, or enjoin any such violation or attempted violation, or to enforce compliance or to recover monetary damages caused by such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the same or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. Any attempted sale, transfer, lease, or other disposition that would cause or result in a violation of any of the provisions hereof shall be null and void and of no effect.

(b) The Developer covenants and agrees to inform the Issuer by written notice of any violation of the Developer's obligations hereunder within five days of first discovering any such violation, and the Issuer covenants and agrees to inform, or cause its authorized representative to inform, the Developer by written notice of any violation of the Developer's obligations hereunder within fifteen days of first discovering such violation and to provide the Developer a period of time that shall be at least thirty days after the date any notice to the Developer is mailed, or within such further time as the Issuer determines is necessary to correct the violation without adversely affecting the exclusion from gross income for federal income tax purposes of interest on the Bonds, not to exceed any limitations set by applicable regulations, in which to correct such violation. If any such violation is not corrected to the satisfaction of the Issuer within the period of time specified by the Issuer, the Issuer shall, without further notice, declare a default under this Agreement effective on the date of such declaration of default. Upon such default, the Developer hereby agrees to pay to the Issuer[, but not from any "Available Moneys" as defined in the Indenture,] an amount equal to any rents or other amounts received by the Developer for any Units in the Project that were in violation of this Agreement during the period such violation continued, and the Issuer shall apply to any court, state or federal, for a specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions shall be necessary or desirable so as to correct non-compliance with this Agreement.

Section 6. Amendment; Termination. The provisions hereof shall not be amended, revised, or terminated prior to the stated term hereof except by an instrument in writing duly executed by the Issuer and the Developer or its successor in title and duly recorded in the Office of the Recorder of Lucas County, Ohio. The Issuer's consent to any such amendment, revision, or termination shall be given only upon receipt of an opinion of nationally recognized bond
counsel that such amendment, revision, or termination will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any of the Bonds.

Section 7. Consideration. The Issuer has determined to finance construction of the Project, and has further issued the Bonds to obtain funds for the purpose, among others, of inducing the Developer to acquire, construct, and operate the Project as residential rental property in which at least forty percent (40%) of the Units are to be occupied by Qualified Tenants. In consideration of the issuance of the Bonds by the Issuer, the Developer has accepted the terms and provisions hereof.

Section 8. Governing Law. This instrument shall be governed by the laws of the State of Ohio.

Section 9. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

Section 10. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

If to the Developer:

Macy’s Apartments, L.L.C.
660 West Washington Avenue
Suite 303
Madison, Wisconsin 53703
Attn: Randall P. Alexander, President

If to the Issuer:

City of Toledo, Ohio
Department of Law
One Government Center
Suite 2250
Toledo, Ohio 43604
Attn: Director of Law

Section 11. Multiple Counterparts. This instrument may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.
IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written above.

Witnesses:

CITY OF TOLEDO, OHIO

By
Mayor

Macy's Apartments, L.L.C.

By: The Alexander Company, Inc.,
Manager

By
Randall P. Alexander
President

Approved as to form:

Director of Law

95 1624408
IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written above.

Witnesses:

CITY OF TOLEDO, OHIO

By ___________________ Mayor

____________________
Typed or printed name

____________________
Typed or printed name

MACY'S APARTMENTS, L.L.C.
By: THE ALEXANDER COMPANY, INC., Manager

By ___________________
Randall P. Alexander President

Witnesses:

____________________
Typed or printed name

____________________
Typed or printed name

Approved as to form:

____________________
Director of Law
STATE OF OHIO  
COUNTY OF LUCAS  

On this __ day of __, 1995, before me, a Notary Public in and for said County and State, personally appeared Carleton S. Finkbeiner, Mayor of the City of Toledo, Ohio, who executed the foregoing instrument as such official on behalf of such City, and who acknowledged that the same is his free act and deed individually and as such official and the free act and deed of such City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

(SEAL)

Notary Public

SCOTT SEAGLE
Notary Public, State of Ohio

STATE OF _______  
COUNTY OF _______  

On this __ day of ______, 1995, before me, a Notary Public in and for said County and State, personally appeared Randall P. Alexander, President of The Alexander Company, Inc., the Manager of Macy's Apartments, L.L.C., a limited liability company, who acknowledged his execution of the foregoing instrument as such officer of The Alexander Company, Inc. on behalf of said Macy's Apartments, L.L.C., by authority of said Manager, and that the same is his voluntary act and deed individually and as such officer and the voluntary act and deed of Macy's Apartments, L.L.C. and of The Alexander Company, Inc., as Manager.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Seal]

Notary Public

95 1624A10
STATE OF OHIO  
) SS.  
COUNTY OF LUCAS  
)

On this _____ day of ______, 1995, before me, a Notary Public in and for said County and State, personally appeared Carlton S. Pinkheimer, Mayor of the City of Toledo, Ohio, who executed the foregoing instrument as such official on behalf of such City, and who acknowledged that the same is his free act and deed individually and as such official and the free act and deed of such City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

(SEAL)  
Notary Public

STATE OF ______  
) SS.  
COUNTY OF ______  
)

On this _______ day of ________, 1995, before me, a Notary Public in and for said County and State, personally appeared Randall P. Alexander, President of The Alexander Company, Inc., the Manager of Macy's Apartments, L.L.C., a limited liability company, who acknowledged his execution of the foregoing instrument as such officer of The Alexander Company, Inc., on behalf of said Macy's Apartments, L.L.C., by authority of said Manager, and that the same is his voluntary act and deed individually and as such officer and the voluntary act and deed of Macy's Apartments, L.L.C., and of The Alexander Company, Inc., as Manager.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

(SEAL)  
Notary Public

95 1624411
FISCAL OFFICER CERTIFICATE

The undersigned, Director of Finance of the City of Toledo, hereby certifies that the moneys required to meet the obligations of said City during the year 1995 under the aforesaid Agreement have been lawfully authorized by the Council of such City for such purposes and are in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: August 3, 1995

Director of Finance
EXHIBIT A
Legal Description of the Property

Situated in the City of Toledo, County of Lucas and State of Ohio,
to-wit:
Lots numbered one (1), two (2), three (3), four (4), five (5), eight
(8), nine (9), ten (10), eleven (11), twelve (12) and thirteen (13) in the
Subdivision of Lots number fourteen hundred (1400) in the Vistula Division
of said City of Toledo and of Lot number four hundred and sixty-three (463)
in the Port Lawrence Division of said City of Toledo as per plat thereof
recorded in Volume 2 B, at pages 75 and 76 of the Records of Plats of said
County of Lucas.
Also all those parts of Lot number ten hundred and thirty (1030) in
the Vistula Division of said City of Toledo and of Lot number six (6) in
the Subdivision of said Lot number fourteen hundred (1400) in the Vistula
Division of said City of Toledo which lie Northwesterly of the alley
running midway between said Superior Street and said Huron Street; and
Also the vacated alley abutting the Southwesterly line of said Lots
numbers one (1) to six (6), and the Northwesterly line of said Lot number
eight (8), and extending from said Huron Street to the alley midway between
said Superior Street and said Huron Street.
EXHIBIT "B"

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, being [name] of Macy’s Apartments, L.L.C., a Wisconsin limited liability company, (the "Developer"), has read and is thoroughly familiar with the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") and the various Loan Documents associated with the Developer’s participation in City of Toledo, Ohio (the "Issuer") Multifamily Housing Program, such documents including the Loan Agreement and the Project Note. All capitalized terms used but not defined herein shall have the same meanings as in the Regulatory Agreement.

As of the date of this certificate, the following numbers and percentages of completed residential Units in the Project (i) are occupied by Qualified Tenants or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Qualified Tenant vacated such Unit, as indicated:

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<tr>
<th>Number of Units</th>
<th>Percentage of Units</th>
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<tr>
<td>Occupied by Qualified Tenants:</td>
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<tr>
<td>Held vacant for occupancy continuously since last occupied by Qualified Tenants:</td>
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The undersigned hereby certifies that at all times during the preceding month at least forty percent (40%) of the completed Units were occupied by Qualified Tenants and all Units were rented or available for rental on a continuous basis to members of the general public, as required by Section 3(g) of the Regulatory Agreement, and that the Developer is not otherwise in default under any of the terms and provisions of the Regulatory Agreement or the Loan Documents.

MACY’S APARTMENTS, L.L.C.

By

By

- 12 -

95 1624B02
EXHIBIT "C"

INCOME COMPUTATION AND CERTIFICATION

FOR COMPLETION BY THE RENTAL APPLICANT:

Note to Apartment Owner: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR 813). You should make certain that this form is at all times up to date with the HUD Regulations.

Re: [Address of Apartment Building]

I/We, the undersigned state that I/we have read and answered fully, frankly, and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

<table>
<thead>
<tr>
<th>Name of Member of Household</th>
<th>Relationship of Head of Household to Applicant</th>
<th>Social Security Number</th>
<th>Place of Employment</th>
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Income Computation

6. The total anticipated income, calculated in accordance with the provisions of this paragraph 6, of all persons 18 years old or older listed above for the 12-month period beginning the date that I/we plan to move into a unit (or, for subsequent periods, the 12-month period beginning on the anniversary of that date) is $__________.

Included in the total anticipated income listed above are:

(a) all wages and salaries, overtime pay, commissions, fees, tips, and bonuses and other compensation for personal services, before payroll deductions;

(b) the net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets other than straight line depreciation);

(c) interest and dividends (including income from assets included in item 7 below);

C-1... 95 1624B03
(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including any lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay;

(f) the amount of any welfare assistance actually received (other than an adjustable amount specifically designated for utilities and shelter) plus the maximum amount of assistance available for utilities and shelter;

(g) periodic and determinable allowances, such as alimony and child support payments, and regular contributions and gifts received from persons not residing in the dwelling;

(h) all regular pay, special pay, and allowances of a member of the Armed Forces; and

(i) any earned income tax credit to the extent that it exceeds income tax liability.

Excluded from such anticipated income are:

(a) temporary, nonrecurring, or sporadic income or gifts;

(b) amounts which are specifically for or in reimbursement of medical expenses for any family member;

(c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker’s compensation), capital gains, and settlement for personal or property losses;

(d) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student (any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income);

(e) special pay to a household member in armed forces who is exposed to hostile fire;

(f) relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977;

(i) payments to volunteers under the Domestic Volunteer Service Act of 1973;

(j) payments received under the Alaska Native Claims Settlement Act;
(k) income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;

(l) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;

(m) payments received from the Job Training Partnership Act;

(n) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;

(o) the first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims;

(p) income of a live-in-aide to elderly, handicapped, or disabled resident(s);

(q) amounts received under HUD training programs;

(r) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;

(s) amounts received to reimburse participants in publicly assisted programs for out-of-pocket expenses, so that participants can participate in the program;

(t) reparation payments from foreign governments for persecution during the Nazi era; and

(u) amounts specifically excluded by Federal statute from income determinations under the Housing Act of 1937.

7. (a) Do the members of the household have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles)___Yes ___No.

(b) Have the members of the household disposed of any assets (other than at a foreclosure or bankruptcy sale or pursuant to divorce or separation) during the last two years at less than fair market value? ___Yes ___No

(c) Does the combined total value of (i) all assets described in (a) plus (ii) the excess of the value of the assets described in (b) over the value of the consideration received in exchange, total more than $5,000? ___Yes ___No. If yes, state such combined total value. $______

(d) If the answer to (c) above is yes, state:

(1) the amount of income expected to be derived from such assets in the 12-month period described in item 6: $_______, and

(2) the amount of such income, if any, that was included in item 6 above: $______
8.  (a) Are all of the individuals who propose to reside in the unit full-time students?  ____Yes  ____No
   (*A full-time student is an individual enrolled as a full-time student during each of 5 calendar
   months during the calendar year in which the relevant 12-month period begins at an educational
   organization which normally maintains a regular faculty and curriculum and normally has a
   regularly enrolled body of students in attendance, or is an individual pursuing a full-time course
   of institutional on-farm training under the supervision of an accredited agent of such an
   educational organization or of a state or political subdivision thereof.)

   (b) If the answer to 8(a) is yes, are at least two of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax
   return?  ____Yes  ____No

9.  Neither I nor any other occupant of the unit that I/we propose to rent is
    the owner of the rental housing project in which the unit is located (hereinafter the "Owner"),
    has any family relationship to the Owner, or owns directly or indirectly any interest in the
    Owner. For purposes of this paragraph, indirect ownership by an individual shall mean
    ownership by a family member, ownership by a corporation, partnership, estate or trust in
    proportion to the ownership or beneficial interest in such corporation, partnership, estate or
    trust held by the individual or a family member; and ownership, direct or indirect, by a
    partner of the individual.

10. This certificate is made with the knowledge that it will be relied upon by
    the Owner to determine maximum income for eligibility to occupy the unit; and I/we declare that
    all information set forth herein is true, correct and complete and based upon information I/we
    deem reliable and that the statement of total anticipated income contained in paragraph 6 is
    reasonable and based upon such investigation as the undersigned deemed necessary.

11. I/we will assist the Owner in obtaining any information or documents
    required to verify the statements made herein, including either an income verification from
    my/our present employer(s) or copies of federal tax returns for the immediately preceding
    calendar year or both, as the Owner may reasonably request.

12. I/we acknowledge that I/we have been advised that the making of any
    misrepresentation or misstatement in this declaration will constitute a material breach of my/our
    agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate
    my/our occupancy of the unit by institution of an action for eviction or other appropriate
    proceedings.

   I/we declare under penalty of perjury that the foregoing is true and correct.

   Executed this ______ day of ____________________ in the City of Toledo, Ohio.

                          ____________________________  
                          Applicant

                          ____________________________  
                          Applicant

[Signature of all persons age 18 years or older listed in number 2 above required]
FOR COMPLETION BY APARTMENT OWNER ONLY:

All capitalized terms used but not defined herein shall have the same meanings as in the Regulatory Agreement.

1. Calculation of income:
   (a) Enter amount entered for entire household in 6 above:
      $______
   (b) (1) If the amount entered in 7(c) above is greater than $5,000, enter the total amount entered in 7(d)(1), subtract from that figure the amount entered in 7(d)(2), and enter the remaining balance ($______);
      (2) Multiply the amount entered in 7(e) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7(c) would be if invested in passbook savings ($______), subtract from that figure the amount entered in 7(d)(2), and enter the remaining balance ($______);
      (3) Enter at right the greater of the amount calculated under (1) or (2) above:
         $______
   (c) TOTAL INCOME
      [Line 1(a) plus 1(b)(3)]:
      $______

2. Answer one of the following according to family size:
   (a) If the Household consists of a family of six, is the amount entered in line 1(c) less than or equal to 69.6% of the Area Median Gross Income? Yes ___ No ___
   (b) If the Household consists of a family of five, is the amount entered in line 1(c) less than or equal to 64.8% of the Area Median Gross Income? Yes ___ No ___
   (c) If the Household consists of a family of four or greater, is the amount entered in line 1(c) less than or equal to 60% of Area Median Gross Income? Yes ___ No ___
   (d) If the Household consists of a family of three, is the amount entered in line 1(c) less than or equal to 54.6% of Area Median Gross Income? Yes ___ No ___
(e) If the Household consists of a family of two, is the amount entered in line 3 above less than or equal to 48% of Area Median Gross Income?

Yes ___ No ___

(f) If the Household consists of a single individual, is the amount entered in line 1(c) less than or equal to 42% or less of Area Median Gross Income?

Yes ___ No ___

For tenants who have lived in the unit for at least 12 months and who were Qualified Tenants during their initial 12 month period of occupancy, "Area Median Gross Income" shall be multiplied by 140% for the above calculations.

3. If the answer to 2(a), (b), (c), or (d) is yes and not all of the occupants are full-time students (or, if all occupants are students, at least two are entitled to file a joint federal income tax return; see item 8 of tenant's certificate), the tenants are Qualified Tenants.

4. Number of apartment unit assigned:
Number of Bedrooms: ____________  Rent: $__________

5. This apartment unit [was / was not] last occupied for a period of 31 consecutive days or more by persons who were Qualified Tenants.

6. Method used to verify applicant(s) income:
____ Employer income verification
____ Copies of tax returns
____ Other (_________)

__________________________
Manager
INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed under the Multifamily Housing Program for persons of low and moderate income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions, or any other form of compensation received on a regular basis.

Annual wages __________________________________________
Overtime __________________________________________
Bonuses __________________________________________
Commissions _______________________________________
Total current income __________________________________

I hereby certify that the statements above are true and complete to the best of my knowledge.

_________________________  _________________________  _______________________
Signature                  Date                       Title

I hereby grant you permission to disclose my income to [Developer] in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed under the ____________ Multifamily Housing Program.

_________________________  _________________________
Signature                  Date

Please send to:

[Developer]
[Address]

C-7

95 1624809
INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_________________________  _______________________
Signature                  Date

RECEIVED &Recorded
AUG 11 1995
SUE RIOUX
RECORDER, LUCAS COUNTY, OHIO