

NOTICE OF INTENT TO TERMINATE SUBSIDY

Name of Property: Lorington Apartments

Address of Each Building Included in Property: 2630-44 North Spaulding Ave.; 3126-28 West Palmer Blvd. / 2219-23 North Kedzie Blvd., Chicago, Illinois

Owner: Lorington Associates, L.P.

Property Description: Multi-unit apartment buildings containing one, two and three bedroom apartments

Number of Occupied Units: Fifty-four (54) Units

Anticipated Date of Action: March 22, 2007 – Termination of the Property's participation in a federal subsidy program for assisted housing (expiration of Section 8 contract)

Affordability Restriction(s): The Property is subject to a Housing Assistance Payment ("HAP") agreement with the Department of Housing and Urban Development ("HUD"). Fifty-four (54) of the residential units are occupied by low and middle income tenants. The HAP Contract expires on February 22, 2007. By letter dated March 14, 2006 from HUD to Owner, HUD has agreed, if Congress makes funds available (which it has in the past and is expected to in the future), to offer Owner a short-term renewal at the time of the February 22, 2007 contract expiration to extend the HAP Contract through the one-year anniversary date of this notice. Owner does not intend to renew the HAP Contract for another year when it expires on February 22, 2007, although Owner will agree to a short-term extension of the Section 8 Contract from February 22, 2007 through the one-year anniversary of the date of this notice.

Owner/Contact Information: Prairie Management Corporation, c/o Jose Ortiz, Site Manager, 3128 West Palmer Blvd., Chicago, IL 60647, Telephone: (773) 235-1004; Fax: (773) 235-1070

THIS IS NOT AN EVICTION NOTICE. It is a notice to advise all Tenants in the property identified above that one of the following actions with respect to the property will take place on the date referenced above:

- (i) the sale or other disposition of the property;
- (ii) the prepayment or refinancing of a federally insured or federally held mortgage secured by the property;
- (iii) the termination of the property's participation in a federal subsidy program for assisted housing.

One or all of these actions may have the effect of terminating the affordability restrictions noted above.