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2002-05-31 11:12:33  
Cook County Recorder 63.00

**THIS DOCUMENT WAS  
PREPARED BY AND AFTER  
RECORDING RETURN TO:**

Illinois Housing Development Authority  
401 North Michigan Avenue, Suite 900  
Chicago, Illinois 60611  
Attn: Charlotte Flickinger  
Tax Credit Department



Property Address:  
7450 N. Rogers  
Chicago, IL 60626

Property Identification No(s):

## LOW INCOME HOUSING TAX CREDIT EXTENDED USE AGREEMENT

### Project Summary

Project Owner: Gateway Apartments Limited Partnership  
Project Owner's Address: 205 W. Wacker, Suite 2300  
Chicago, IL 60606  
Project Name: Gateway Centre Apartments  
Project Address: 7450 N. Rogers  
Chicago, IL 60626  
IHDA Tax Credit No.: TC-1345-01  
Additional IHDA Project No: HTF-942  
Project Unit Count: 95/119 (Number of Low Income Units/ Total Number of Units in the Project)  
Minimum Low Income Set-Aside Election: At least 40% of the units in the Project must be occupied by Tenants at or below 50% of Area Median Gross Income and Rent-Restricted in accordance with such income level.  
Minimum Applicable Fraction for Project: At least 78.7199 %

**THIS LOW INCOME HOUSING TAX CREDIT EXTENDED USE AGREEMENT** (this "Agreement") is entered into on the 1st day of May, 2002 by and between **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** (the "Authority"), a body politic and corporate established pursuant to the Illinois Housing Development Act, ILCS 3805/1 et seq., as amended from time to time (the "Act") with its principal offices located at 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611, and the project owner, Gateway Apartments Limited Partnership (the "Owner"), with its principal offices located at the office referred to above in the Project Summary.

**BOX 333-CTE**

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## RECITALS

(1) The Owner is the holder of legal title of certain real property upon which a qualified low income housing development is erected, or to be erected, with the common address set forth above in the Project Summary, and legally described on **Exhibit A** attached hereto, and by this reference made a part hereof, known as (the "Project").

(2) The Authority has been designated by Section 7.24g of the Act as the housing credit agency for the State of Illinois for the allocation of low income housing tax credit authority ("Tax Credit Authority") pursuant to Section 42 of the Code (as hereinafter defined).

(3) The Owner has applied to the Authority for an allocation of Tax Credit Authority in connection with the Project, and has represented to the Authority in its Application (as hereinafter defined) that it will lease at least the minimum percentage of Units (as hereinafter defined) and residential floor space in the Project to Qualifying Tenants (as hereinafter defined) such that the Minimum Applicable Fraction for the Project shall be as set forth above in the Project Summary.

(4) As a condition precedent to the allocation of Tax Credit Authority, the Owner must enter into an extended low income housing commitment, as provided in Section 42 of the Code, to be recorded in the Office of the Recorder of Deeds in the county in which the Project is located in order to create certain covenants running with the land for the purpose of enforcing the requirements of Section 42 of the Code by regulating and restricting the use, occupancy and transfer of the Project.

(5) The Owner under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the Project land for the Compliance Period and Extended Use Period (as hereinafter defined), are binding upon all subsequent owners and operators of the Project during such Compliance Period and Extended Use Period, and are not merely personal covenants of the Owner.

In consideration of the mutual promises set forth below, and other good and valuable consideration, the Owner and the Authority agree as follows:

### **A. Definitions.**

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the following meanings:

"Agreement" means this Low Income Housing Tax Credit Extended Use Agreement between the Authority and the Owner.

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“Applicable Fraction” means the smaller of the Unit Fraction (as hereinafter defined) or the Floor Space Fraction (as hereinafter defined), all calculated in accordance with Section 42(c)(1) of the Code.

“Application” means the application the Owner submitted to the Authority in connection with the reservation, carryover allocation or allocation of Tax Credit Authority.

“Area Median Gross Income” means the median gross income of the area in which the Project is located as determined by the Secretary (as hereinafter defined) for purposes of Section 42 of the Code, including adjustments for family size.

“Assumption Agreement” means that certain agreement defined in Section F of this Agreement.

“Authority” means the Illinois Housing Development Authority and its successor.

“Code” means the Internal Revenue Code of 1986, as amended, and where appropriate, regulations and revenue rulings promulgated pursuant thereto.

“Compliance Period” (notwithstanding Section 42(i)(1) of the Code) means the period of 15 consecutive taxable years beginning with the first taxable year of the Credit Period, unless otherwise indicated in **Appendix A** hereto or unless terminated earlier in accordance with Section D hereof.

“Credit Period” means, with respect to any building in the Project, the period of ten taxable years beginning with the taxable year in which such building is placed in service or (at the election of the Owner) the following taxable year.

“Extended Use Period” means the period beginning with the last day of the Compliance Period and ending on the date which is 15 years after the end of the Compliance Period, unless otherwise indicated in **Appendix A** hereto or unless terminated earlier in accordance with Section D hereof.

“Floor Space Fraction” means the fraction, the numerator of which is the total floor space of the Low Income Units in a building and the denominator of which is the total floor space of the Units in such building.

“Gross Rent” means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

“Income” means the income of a tenant in the Project determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

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“Low Income” means, with respect to any tenant in the Project, an income level not exceeding 50% or 60% of Area Median Gross Income, as applicable to the Project pursuant to the Minimum Low Income Set-Aside Election set forth above in the Project Summary, or, in context, such alternative income level as may be set forth in **Appendix A**.

“Low Income Unit” means a Unit in the Project that is occupied by (or, pursuant to the Code, treated as occupied by) a Qualifying Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

“Minimum Applicable Fraction” means the proportion of the Project, measured by calculation of the Applicable Fraction in accordance with Section 42 of the Code, which is required to be occupied by Qualified Tenants, as set forth above in the Project Summary.

“Minimum Low Income Set-Aside Election” means the minimum number of Units in the Project required to be Low Income Units for purposes of determining the income level for Qualifying Tenants, which Minimum Low Income Set-Aside Election for this Project is 20% or 40% of the Units, as set forth above in the Project Summary.

“Occupancy Restrictions” means those restrictions set forth in Section C(1) of this Agreement.

“Project” means the residential rental housing project identified above in the Project Summary.

“Qualified Low Income Housing Project” means a residential rental project meeting the requirements of Section 42 of the Code.

“Qualifying Tenants” means individuals or families whose income is less than or equal to the percentage of Area Median Gross Income (including adjustments for family size), as applicable to the Project pursuant to the Minimum Low Income Set-Aside Election set forth above in the Project Summary, as determined in accordance with Section 42. Individuals or families meeting this requirement shall be referred to herein as “Qualifying Tenants”. For so long as a tenant, which had been determined to be a Qualifying Tenant, occupies the particular Unit, the tenant will remain a Qualifying Tenant if the tenant's income, upon the most recent income certification, does not exceed 140% of the applicable Low Income limit.

“Regulations” means those regulations promulgated pursuant to the Code.

“Rent-Restricted” means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code, as modified by **Appendix A**, if applicable.

“Secretary” means the Secretary of the Treasury of the United States.

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“Section 42” means Section 42 of the Code.

“Service” means the United States Internal Revenue Service and any successor thereto.

“Tax Credits” means the low income housing tax credits for which owners of a Qualified Low Income Housing Project may qualify pursuant to Section 42 of the Code.

“Tax Credit Authority” means the maximum amount of Tax Credits which, pursuant to an allocation by the Authority under Section 42(h)(1) of the Code, may be received by the owner of a Qualified Low Income Housing Project in any one year.

“Term” shall have the meaning set forth in Section D of this Agreement.

“Unit” means any residential rental unit in the Project consisting of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy units used on a nontransient basis may be treated as Units.

“Unit Fraction” means the fraction, the numerator of which is the total number of Low Income Units in a building and the denominator of which is the total number of Units in such building.

## **B. Representations and Warranties of the Owner.**

The Owner hereby makes the following representations and warranties to induce the Authority to enter into this Agreement:

(1) The Owner (i) is Gateway Apartments Limited Partnership duly organized and validly existing under the laws of the state in which the partnership was formed, and is qualified to transact business under the laws of the State of Illinois, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted (and as now contemplated by this Agreement) and (iii) has the full legal right, power and authority to execute and deliver this Agreement and to perform all the undertakings of the Owner hereunder.

(2) The execution and performance of this Agreement by the Owner (a) will not violate or, as applicable, have not violated, any provision of law, rule or regulation, or any order of any court or other agency or governmental body; (b) will not violate or, as applicable, have not violated, any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound; and (c) will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

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(3) The Owner has, as of the date of execution, recordation and delivery of this Agreement, good and marketable title to the real estate legally described in **Exhibit A** free and clear of any lien or encumbrance, except those created by any loan documents relating to the Project, those which are created pursuant to this Agreement and those which are otherwise permitted encumbrances.

(4) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement), or would materially adversely affect its financial condition.

(5) The Project constitutes or will constitute a Qualified Low Income Housing Project, as defined in Section 42, within and throughout the time period required under this Agreement and Section 42.

(6) Each Unit in the Project contains, or will contain, complete facilities for living, sleeping, eating, cooking and sanitation, which are to be used on other than a transient basis as provided in Section 42(i)(3) of the Code (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless).

(7) During the term of this Agreement, all Low Income Units shall be leased and rented or made available to members of the general public who qualify as Qualifying Tenants (or otherwise qualify for occupancy of the Low Income Units).

(8) Upon completion of the rehabilitation or construction of the Project, and during the remainder of the term of this Agreement, the Owner represents, warrants and agrees that each Low Income Unit will be and will remain suitable for occupancy taking into account local, health, safety and building codes.

(9) Upon completion of the rehabilitation or construction of the Project, the Owner will not demolish any part of the Project, or substantially subtract from any real or personal property of the Project or permit the use of any residential rental Unit for any purpose other than rental housing during the term of this Agreement, unless required by law.

(10) The Owner represents, warrants and agrees that if the Project, or any part of it, is damaged or destroyed or is condemned or acquired for public use, the Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement.

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(11) The Owner represents and warrants that it has not and will not execute any other agreements with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(12) The Owner agrees, warrants, and covenants to comply with all applicable laws, ordinances, statutes, codes, orders, rules, regulations and decrees of any governmental authority, including, without limitation, the following: Section 42, the Act and Rules promulgated under the Act, as amended from time to time; the Civil Rights Act of 1964 (42 U.S.C. 2000(d)); Executive Order 11-63, as amended by Executive Order 12259; Executive Order 11246; Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.); Fair Credit Reporting Act (15 U.S.C. 1681 et seq.); Fair Housing Act (42 U.S.C. 3601 et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.); Section 3 of the Housing and Urban Development Act of 1968; Executive Orders 11625, 12432 and 12138, as amended; the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 et seq.); the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. § 4201 et seq.); the Housing and Community Development Act of 1974; the National Environmental Policy Act (42 U.S.C. § 4321 et seq.); ("NEPA"); the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4822 et seq.); and such governmental requirements as may be from time to time amended or superseded and all of their implementing regulations, as may be amended.

## C. Occupancy Restrictions.

(1) At least the percentage of Units and percentage of floor space in the Project (and in each building in the Project, as applicable) needed to support the Minimum Applicable Fraction, as set forth above in the Project Summary, shall be both Rent-Restricted and occupied (or treated as occupied as provided herein) by Qualifying Tenants, as determined in accordance with Section 42 and the Regulations. The Owner shall make the determination of whether an individual or family is a Qualifying Tenant at least annually on the basis of the current income of such Qualifying Tenant(s). Any Unit occupied by an individual or family who is a Qualifying Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Qualifying Tenant, provided that should such Qualifying Tenant's income subsequently exceed one hundred forty percent (140%) of the applicable income limit, such tenant shall no longer be a Qualifying Tenant if, after such determination of income, but prior to the next determination, any residential Unit of comparable or smaller size in the building is rented to a tenant who is not a Qualifying Tenant. If a tenant ceases to be a Qualifying Tenant, the Owner shall take such steps as may be necessary to ensure that the Project meets the Minimum Applicable Fraction. A Low Income Unit that has been vacated will continue to be treated as a Low Income Unit, provided that (i) reasonable attempts are made to rent the Unit and (ii) no other Units of comparable or smaller size in the Project are rented to persons who are not Qualifying Tenants. In no case will a Unit be treated as a Low Income Unit if all the tenants of



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the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code.

(2) The Owner shall require each individual or family that is intended to be a Qualifying Tenant (i) to sign and deliver an income certification form prior to occupancy of a Low Income Unit in the Project, (ii) to sign and deliver such income certification form at least annually so long as such individual or family remains a tenant in the Project, and (iii) to provide appropriate documentation to support each such certification in accordance with the Regulations and in accordance with the requirements of the Authority, as such may be modified from time to time. The Owner shall be responsible for assuring that each tenant's income certifications and documentation satisfy the Regulations and the requirements of the Authority. The Owner shall retain the income certification forms and supporting documentation for all Qualifying Tenants for a period of five years, or such other period as may be specified in Section 42 and/or the Regulations.

(3) The amount of Tax Credit Authority allocated to the Project is based upon the requirement that the Applicable Fraction for buildings in the Project will be at least the Minimum Applicable Fraction set forth above in the Project Summary, and as specified, building-by-building. The Owner's failure to ensure that each building in the Project complies with such requirement will cause the Authority (i) to report such fact to the Service, which may result in the reduction and recapture by the Service of Tax Credits, and (ii) to take other appropriate enforcement action.

(4) The Project and the Owner are subject to the additional and/or modified requirements, if any, set forth at **Appendix A**, which requirements are incorporated herein and made a part hereof.

## **D. Term of Restrictions.**

(1) **Term.** This Agreement shall become effective with respect to a building in the Project on the first day of the Compliance Period for such building and shall terminate on the last day of the Extended Use Period, unless this Agreement is earlier terminated pursuant to Sections D(2), D(3) or D(4) below (the "Term").

(2) **Involuntary Non-Compliance.** This Agreement and the Occupancy Restrictions shall cease to apply in the event of an involuntary noncompliance caused by unforeseen events such as fire or other casualty loss, seizure, requisition, condemnation or a change in federal law or an action of a federal agency after the date of final allocation of Tax Credit Authority to the Project that prevents the Authority from enforcing the requirements of this Agreement; provided that if insurance proceeds, condemnation awards or other amounts received as a result of any such loss, destruction or other event are used to restore the Project, the Occupancy Restrictions shall continue to apply.

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(3) Foreclosure. This Agreement and the Occupancy Restrictions shall cease to apply in the event of a foreclosure, transfer of title by deed in lieu of foreclosure or similar event, unless (a) at any time subsequent to such event, and during the Term hereof, the Owner or a related person (as defined in the Code) obtains an ownership interest in the Project for federal tax purposes, or (b) the Service determines that such foreclosure, transfer of title by deed-in-lieu of foreclosure or similar event has occurred pursuant to an arrangement between the Owner and any lender(s) or any other party, a purpose of which is to terminate the Occupancy Restrictions.

(4) Qualified Contract. This Agreement and the Occupancy Restrictions shall cease to apply if, following the end of the Compliance Period, the Owner has properly requested the Authority's assistance in procuring a "Qualified Contract", as defined in the Code, for the acquisition of a building, and the Authority is unable to present a Qualified Contract. To properly request the Authority's assistance in procuring a Qualified Contract for the acquisition of a building, the Owner must submit a written request to the Authority no earlier than one year prior to the expiration of the Compliance Period, or in any year during the Extended Use Period, if applicable. The Authority will have one year from the date of receipt of the Owner's written request to find a buyer to acquire the Owner's interest in the building. The Authority will attempt to procure a Qualified Contract for the acquisition of any building only once during the Extended Use Period. This section does not apply to Projects with a Compliance Period of 30 or more years.

(5) Occupancy Restrictions. If this Agreement is terminated pursuant to subsections (3) or (4) above, the Qualifying Tenant of any Low Income Unit on the date of such termination shall be entitled to occupy such Unit, except for eviction for good cause, in accordance with the provisions of this Agreement for a period of three years following such termination date.

## **E. Records and Enforcement.**

(1) During normal business hours and upon reasonable notice, the Owner shall permit any duly authorized representative of the Authority to inspect all books and records of the Owner with respect to the Project's compliance with the Occupancy Restrictions and the requirements of Section 42.

(2) The Owner and the Authority each acknowledges that the primary purpose for requiring that the Owner comply with the Occupancy Restrictions is to assure that the Owner and the Project are in compliance with Section 42 and the Regulations, AND FOR THAT REASON THE OWNER, IN CONSIDERATION FOR RECEIVING TAX CREDIT AUTHORITY FOR THE PROJECT, AGREES AND CONSENTS THAT THE AUTHORITY AND ANY QUALIFYING TENANT (WHETHER PROSPECTIVE, PRESENT OR FORMER), SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO

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ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN A STATE COURT OF COMPETENT JURISDICTION. The Owner further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(3) The Owner agrees that the representations and covenants set forth in this Agreement may be relied upon by the Authority and all persons interested in the compliance of the Project with the provisions of Section 42 and the Regulations. The Owner further agrees that all such representations and covenants represent ongoing and continuing requirements, and that the Owner will give notice to the Authority, in accordance with Section N hereof, in the event of any change in the facts or circumstances upon which any such representations and covenants are based.

(4) The Owner acknowledges that the Authority is required, pursuant to Section 42(m)(1)(B)(ii) of the Code, (i) to monitor the Owner's and the Project's compliance with the requirements of Section 42 and (ii) to notify the Service of any noncompliance which is found. The Owner agrees that it will take any and all actions reasonably necessary and required by the Authority (I) to substantiate the Owner's compliance with the Occupancy Restrictions and the requirements of Section 42 and (II) to allow the Authority to monitor such compliance.

(5) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42, the Act or this Agreement. Any violation of Section 42, the Act or this Agreement may constitute or warrant the filing of IRS Form 8823 with the Service. Moreover, the Owner covenants to take any lawful action (including amendment of this Agreement) as may be necessary, in the opinion of the Authority, to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, the Service, or the United States Department of Housing and Urban Development, from time to time, pertaining to the Owner's obligations under Section 42 and affecting the Project.

(6) The Owner agrees that the Authority may, at any time during the construction, rehabilitation or operation of the Project, enter and inspect the Project to evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

(7) The Owner agrees that the Authority may at any time order it and/or its managing agent or Project manager to do whatever is necessary to comply with or refrain from violating an applicable law, ordinance, Authority rule, or term of an agreement regarding the Project, and that the Authority may file and prosecute a complaint against a managing agent, Project manager, or the Owner for a violation of any applicable law or ordinance.

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(8) Upon a determination by the Authority that the Owner has failed to comply with the Occupancy Restrictions or to maintain the Project in good and habitable condition and suitable for occupancy as hereinabove required, the Owner agrees to correct any cited noncompliance or to supply any missing certifications within 90 days of receipt of notice of noncompliance from the Authority; provided that the Authority, in its sole discretion, (i) may extend the correction period for up to six months if it determines that good cause exists for granting such extension and (ii) may provide such other period for correction, whether shorter or longer, as is (a) permissible under the law and (b) appropriate, in the Authority's determination, to the circumstances.

(9) The Owner agrees to indemnify and hold harmless the Authority, its members, officers, agents and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Authority as a result of any inaccuracy in any of the representations and warranties contained in this Agreement, or as a result of any action by the Owner, including claims by third parties.

(10) The Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against the Authority which arise out of any of the matters relating to this Agreement, the Owner will cooperate fully with the Authority in the defense or other disposition thereof.

(11) In order to compensate the Authority for its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code, the Owner agrees to pay to the Authority an annual compliance monitoring fee in an amount which shall be determined by the Authority from time to time. Such fee must be paid and sent to the Authority lock box at the time that compliance monitoring information is supplied to the Authority, unless the Authority shall direct an alternative means or time for payment.

## **F. Transfer Restrictions.**

The Owner agrees to notify the Authority in writing prior to any sale, transfer or exchange of the entire Project, or of any low income portion of the Project, and to provide to the Authority with the name(s), address(es) and any other information requested by the Authority of any prospective successor owner and operator of the Project or building. The Owner agrees that (i) it will not dispose of any portion of a building in the Project unless the individual or entity that acquires such portion also acquires the entire building in which such portion is located and (ii) the transferee of the Project shall assume in writing, in a form of Assumption Agreement acceptable to the Authority, this Agreement and all duties and obligations of the Owner under this Agreement, Section 42 and the Regulations. The Owner shall have such Assumption Agreement recorded in the Office of the Recorder of Deeds in the county in which the Project is located and deliver a copy of such recorded Assumption Agreement, certified by the Recorder of Deeds, to the Authority prior to the Transfer. The Owner agrees that the Authority may void any

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sale, transfer or exchange of the Project if the buyer or successor or other person fails to assume in writing the requirements of this Agreement, Section 42 and the Regulations. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. Notwithstanding the requirement of an Assumption Agreement, and regardless of whether any such Assumption Agreement shall be executed, the requirements of this Agreement are, and shall only be interpreted to be, covenants running with the Project, encumbering the Project for the term of this Agreement, and binding upon the Owner's successors in title and all subsequent owners and operators of the Project.

## **G. Tenant Selection.**

The Owner shall not, in the selection of Qualifying Tenants, in the provision of services or in any other matter relating to the construction, rehabilitation or operation of the Project, discriminate against any person on the basis of race, creed, religion, color, sex, sexual orientation, age, handicap, marital status, family status, national origin or unfavorable military discharge, or because the tenant is receiving governmental assistance, which includes, but is not limited to, vouchers or certificates of eligibility under Section 8 of the United States Housing Act of 1937.

## **H. Covenants Run With the Land; Successors Bound.**

(1) Upon execution and delivery of this Agreement, the Owner shall cause this Agreement and all amendments hereto to be recorded and filed in the Office of the Recorder of Deeds of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. All liens on this real property upon which the Project is located must be subordinate to this Agreement. The Owner shall ensure that this Agreement is recorded prior to any and all loan documents used in connection with the financing for the Project. Upon recording, the Owner shall immediately transmit to the Authority an executed original of the recorded Agreement showing the date and recording number of record. The Owner agrees that the Authority shall not be required to issue IRS Form(s) 8609 for the building(s) constituting the Project, unless and until the Authority has received the properly recorded, executed original of this Agreement.

(2) The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the term of this Agreement that this Agreement and the covenants and restrictions set forth herein regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project, encumbering the Project for the term of this Agreement, and binding upon the Owner's successors in title and all subsequent owners and operators of the Project; (ii) are not merely personal covenants of the Owner; and (iii) shall bind the Owner (and the benefits shall inure to the Authority and any past, present or prospective Qualifying Tenant) and its respective successors and assigns during the term of this Agreement. For the longer of (I) the period during

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which the Tax Credits are claimed and (II) the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project, or portion of it, shall expressly provide that such conveyance is subject to this Agreement; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project, or portion of it, provides that such conveyance is subject to this Agreement.

## **I. Notification of Noncompliance.**

The Owner agrees to notify the Authority or its designee if there is a determination by the Service that the Project is not a "Qualified Low Income Housing Project." Notification to the Authority shall be made within ten business days of receipt of any such determination.

## **J. No Conflicting Agreements.**

The Owner warrants that it is not bound by and will not execute any other agreement with provisions that bind it to violate the provisions of this Agreement.

## **K. Interpretation.**

Any terms not defined in this Agreement shall have the same meaning as terms defined in Section 42 and the Regulations. In the event of any conflict between this Agreement and Section 42 and/or the Regulations, Section 42 and/or the Regulations shall control. The Authority's interpretation of this Agreement shall be controlling for purposes of determining whether (i) the Compliance Period or the Extended Use Period shall have commenced, (ii) this Agreement shall have been terminated in accordance with Section D hereof, and (iii) the Additional Use Restrictions indicated in **Appendix A** hereto, if any, shall have been complied with.

## **L. Amendment.**

This Agreement may only be amended with the prior written approval of the Authority to reflect changes in the Act, Section 42 and/or the Regulations and any revenue ruling promulgated thereunder, and any such amendment shall be recorded in the Office of the Recorder of Deeds in the county in which the Project is located. The Owner expressly agrees to enter into all amendments to this Agreement that, in the opinion of counsel to the Authority, are reasonably necessary or desirable for maintaining the compliance of the Project under Section 42 and the Regulations.

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## **M. Severability.**

The invalidity of any clause, part or provision of this Agreement shall not affect the validity of its remaining portions.

## **N. Notices.**

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

Authority: Illinois Housing Development Authority  
401 North Michigan Avenue, Suite 900  
Chicago, Illinois 60611  
Attn: Charlotte Flickinger, Tax Credit Department

Owner: The address set forth above in the Project  
Summary

Such addresses may be changed by notice to the other parties given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective upon proper deposit with the United States Postal Service. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective upon deposit with the overnight courier.

## **O. Governing Law.**

This agreement shall be governed by the internal laws of the State of Illinois and, where applicable, the laws of the United States of America.

## **P. Project Decertification.**

Notwithstanding anything in this Agreement to the contrary, if the Owner fails to comply fully with Section 42, the covenants and agreements contained herein and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, the Service or the Authority, from time to time, pertaining to the obligations of the Owner, the Authority may, in addition to all of the remedies described above or provided by law or in equity, request the Service to decertify the Project for Tax Credits and to immediately commence recapture of the

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Tax Credits previously allocated to the Project. In such circumstances, if it shall be permissible under Section 42, the Authority may treat the Tax Credit Authority associated with the Project as "returned credit" under Section 42 and the Regulations.

**Q. Survival of Obligations.**

The obligations of the Owner as set forth herein and in the Application shall survive the allocation of the Tax Credits, and shall not be deemed to terminate or merge with the awarding of such allocation.

**R. Counterparts.**

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

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)



# UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives, as of the day and year set forth above.

**AUTHORITY:**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

By:   
Charlotte Flickinger, Director,  
Tax Credit Department

**OWNER:**

Gateway Apartments Limited Partnership,  
An Illinois Limited Partnership

By: Hispanic Gateway Corporation

By: \_\_\_\_\_  
Printed Name: Hipolito Roldan  
Its: President

Property of Cook County Clerk's Office

20613591

# UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives, as of the day and year set forth above.

**AUTHORITY:**


**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Charlotte Flickinger, Director,  
Tax Credit Department

**OWNER:**

Gateway Apartments Limited Partnership,  
An Illinois Limited Partnership

By: Hispanic Gateway Corporation

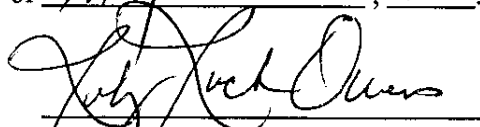
By:   
Printed Name: Hipolito Roldan  
Its: President

# UNOFFICIAL COPY

STATE OF ILLINOIS )  
                              ) SS  
COUNTY OF COOK  )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Charlotte Flickinger, personally known to me to be the Director of the Tax Credit Department of **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, and 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 she signed and delivered the said instrument in her capacity as Director of the Tax Credit Department of **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** as her free and voluntary act and deed and as the free and voluntary act and deed of **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, for the uses and purposed therein set forth.

Given under my hand and official seal this 8<sup>th</sup> day of May, 2007.

  
\_\_\_\_\_  
Notary Public

OFFICIAL SEAL  
RUBY RUCKER OWENS  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES:09/23/02

Property of Cook County Clerk's Office

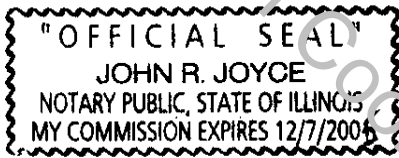
20613591

# UNOFFICIAL COPY

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF Cook     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Hipolito Roldan, personally known to me to be the President of Hispanic Gateway Corporation and 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 in his capacity as President of Hispanic Gateway Corporation, as his free and voluntary act and deed and as the free and voluntary act and deed of Hispanic Gateway Corporation as the general partner of Gateway Apartments Limited Partnership, for the uses and purposes therein set forth.

Given under my hand and official seal this 1st day of May, 2007.



John R. Joyce  
Notary Public

Cook County Clerk's Office

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## APPENDIX A

### ADDITIONAL USE RESTRICTIONS

(Check each item which applies.)

1.  **Additional Occupancy and Rent Restrictions/Lowest Income Tenant Election**

At least twenty percent (20%) or more of the Units in the Project must be Rent Restricted and occupied by Qualifying Tenants at or below (40%) of Area Median Gross Income.

- HOME - Funded Project**

Forty percent (40%) of the Units in the Project must be Rent Restricted and occupied by Qualifying Tenants at or below fifty percent (50%) of the Area Median Gross Income. Additional Occupancy and Rent Restrictions as referenced above (if applicable) may count toward meeting this requirement.

2.  **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 15 consecutive taxable years and the Extended Use Period shall be a period of 40 consecutive taxable years.

3.  **Material Participation by Qualified Nonprofit Organization**

Throughout the Compliance Period and the Extended Use Period, an Illinois-domiciled "qualified nonprofit organization" within the meaning of Section 42(h)(5)(C) of the Code shall own an interest in the Project and shall materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Project.

4.  **Special Needs Population**

The Owner will reserve at least 20% of the Units in the Project for Qualifying Tenants who are (i) homeless or displaced individuals, (ii) persons with physical, mental or developmental disabilities, (iii) persons who are chronically unemployed, if the Owner intends to provide appropriate employment services to such persons, or (iv) persons with other special needs, as approved by the Authority.

5.  **Accessible and Adaptable Housing**

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At least five percent (5%) of the Units in the Project will be constructed as "accessible" and an additional fifteen percent (15%) of the Units in the Project will be constructed as "adaptable", as these terms are defined in the Illinois Accessibility Code (71 Ill. Adm. Code 400 et seq.), for the physically disabled in accordance with the Application and any supporting documentation submitted with the Application. Requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) must be met. The proportion of "accessible" and "adaptable" Units which must be constructed for Qualifying Tenants must be consistent with the Project's Applicable Fraction.

6. \_\_\_\_\_ **Supportive Housing/Assisted Living Facility**

The Owner will reserve one hundred percent (100%) of the Units in the Project for the frail elderly or for Qualifying Tenants who are (i) homeless or displaced individuals, (ii) persons with physical, mental or developmental disabilities, (iii) persons who are chronically unemployed, if the Owner intends to provide appropriate employment services to such persons, or (iv) persons with other special needs, as approved by the Authority

7. \_\_\_\_\_ **Families with Children**

At least twenty percent (20%) of Units in the Project will contain three or more bedrooms targeted to Qualifying Tenants who are Low Income families.

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## EXHIBIT A

### LEGAL DESCRIPTION

THAT PART OF LOT 9 IN URE'S SUBDIVISION AND PART OF THE 60-FOOT RIGHT OF WAY LINE OF VACATED NORTH HERMITAGE AVENUE, ALL BEING IN THE SOUTHEAST FRACTIONAL 1/4 OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE INDIAN BOUNDARY LINE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY RIGHT OF WAY LINE OF NORTH ROGERS AVENUE AND THE EAST RIGHT OF WAY LINE OF NORTH HERMITAGE AVENUE; THENCE NORTH 00 DEGREE, 01 MINUTE, 05 SECONDS EAST ALONG SAID EAST RIGHT OF WAY LINE OF NORTH HERMITAGE AVENUE, A DISTANCE OF 125.75 FEET; THENCE NORTH 89 DEGREES, 32 MINUTES, 38 SECONDS WEST, A DISTANCE OF 60.00 FEET; THENCE NORTH 00 DEGREES, 01 MINUTES, 05 SECONDS EAST ALONG THE WEST RIGHT OF WAY LINE OF SAID VACATED NORTH HERMITAGE AVENUE, A DISTANCE OF 125.45 FEET; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS EAST, A DISTANCE OF 177.92 FEET; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS WEST ALONG THE RIGHT OF WAY LINE OF NORTH PAULINA STREET, A DISTANCE OF 175.24 FEET; THENCE SOUTH 57 DEGREES, 07 MINUTES, 58 SECONDS WEST ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE OF NORTH ROGERS AVENUE, A DISTANCE OF 140.48 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NOS. 11-30-404-004-0000  
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