

**THIS INSTRUMENT WAS PREPARED
BY AND AFTER RECORDING RETURN**

**TO: Stephanie Roodman
Illinois Housing Development
Authority
401 N. Michigan Ave., Ste. 900
Chicago, Illinois 60611
Permanent Tax Index
Identification No.:
20-14-312-020
Property Address:
6138 South Woodlawn
Chicago, Illinois**



HTF-009

REGULATORY AND LAND USE RESTRICTION AGREEMENT

This **REGULATORY AND LAND USE RESTRICTION AGREEMENT** (this "Agreement"), made and entered into as of this 15 day of May, 2002, by and between **TWG WOODLAWN LLC**, an Illinois limited liability company ("TWG"), and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** (the "Authority"), a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the "Act"), having its principal office at 401 N. Michigan Ave., Suite 900, Chicago, Illinois 60611;

WITNESSETH:

WHEREAS, TWG is or will be the fee owner of certain real property upon which a housing development consisting of sixteen (16) units (the "Unit") has been constructed, legally described in **Exhibit A** attached to and made a part of this Agreement (the "Real Estate"), located at 6138 & 6141 South Woodlawn, in Chicago, Illinois. The Real Estate and the improvements constructed on it are collectively referred to in this Agreement as the "Development"; and

WHEREAS, the Authority is selling or has sold its two loans originally made to Covenant Development Corporation for the rehabilitation and permanent financing of the Development, to TWG (the "Sale"); and

WHEREAS, as a condition of the Sale, TWG has agreed to maintain restrictions on the rents charged in the Units as well as on the income of the Low and Very Low Income Tenants (as defined in **Paragraph 5** hereof) in the Units, as further described herein; and

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **Incorporation.** The foregoing recitals are incorporated in this Agreement by this

reference.

2. **Representations and Agreements.** TWG represents and agrees that:

a. All of the Units shall be occupied by Tenants (as defined in **Paragraph 5** hereof) whose income, at the time of initial occupancy, does not exceed the income limits for Low Income Tenants (as defined in **Paragraph 5** hereof); However, if a Very Low Income Tenant (as defined in **Paragraph 5** hereof) already resides in one of the Units, such Very Low Income Tenant shall be allowed to remain in the Unit and pay rent not to exceed the Authority's rent restrictions for Very Low Income Tenants.

b. On forms approved by the Authority, TWG shall obtain from each Very Low Income Tenant prior to his or her admission to the Development, a certification of income (the "Certification"). TWG shall submit such Certifications to the Authority in the manner prescribed by the Authority;

c. In the manner prescribed by the Authority, TWG shall obtain written evidence substantiating the information given on such Certifications and shall retain such evidence in its files at the Development for three (3) years after the year to which such evidence pertains. Within thirty (30) days after the end of each calendar year, TWG shall certify to the Authority that, at the time of such certification and during the preceding calendar year, TWG was in compliance with the requirements of this **Paragraph 2**, or, if TWG is not or has not been in compliance with such requirements, TWG shall give notice to the Authority of its failure to comply and the corrective action TWG is taking or has taken;

d. TWG shall comply with IHDA's rent limitations; TWG shall annually submit a schedule of rents for the Development for the Authority's approval, and shall not change the rent schedule for the Development without the Authority's approval.

3. **Violation of Agreement by Borrower.** Upon violation of any of the provisions of this Agreement by Borrower, the Authority may exercise any of its rights or remedies as may be available to it at law or in equity.

4. **Termination of Liabilities.** In the event of a sale or other transfer of the Development, all of the duties, obligations, undertakings and liabilities of TWG or other transferor (the "Transferor") under the terms of this Agreement shall thereafter cease and terminate as to the Transferor, except as to any acts or omissions or obligations to be paid or performed by the Transferor that occurred or arose prior to such sale or transfer. As a condition precedent to the termination of the liability of the Transferor under this Agreement, the transferee of the Development (a "New Borrower"), as a condition precedent to its admission as a New Borrower, shall assume in writing, on the same terms and conditions as apply to the Transferor, all of the duties and obligations of the Transferor arising under this Agreement from and after the date of such sale or transfer. Such assumption shall be in form and substance acceptable to the Authority. Any such New Borrower shall not be obligated with respect to matters or events that occur or arise before its admission as a New Borrower.

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5. **Definitions.**

a. "Very Low Income Tenant". As used in this Agreement, the phrase "Very Low Income Tenant" means a single person, family or unrelated persons living together whose adjusted income is less than or equal to fifty percent (50%) of the median income of the metropolitan statistical area of Chicago, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

b. "Low Income Tenant". As used in this Agreement, the phrase "Low Income Tenant" means a single person, family or unrelated persons living together whose adjusted income is less than or equal to eighty percent (80%) of the median income of the metropolitan statistical area of Chicago, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

c. "Tenant". As used in this Agreement, the word "Tenant" means a person, family or unrelated persons leasing a Unit in the Development.

6. **Term of Agreement; Covenant Run with Development.** The covenants and agreements set forth in this Agreement shall encumber the Development and be binding on any New Borrower and any other future owners of the Development and the holder of any legal, equitable or beneficial interest in it for two (2) years from the date of this Agreement (the "Termination Date"). On or after the Termination Date, the Authority and TWG shall release this Agreement upon TWG's written request to the Authority to execute such a release.

7. **Amendment of Agreement.** This Agreement shall not be altered or amended without the prior written approval of all of the parties hereto.

8. **Execution of Conflicting Documents.** TWG warrants that it has not executed, and it agrees that it shall not execute, any other agreement with provisions contradictory or in opposition, to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are and shall be paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict with this Agreement.

9. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or its application to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of it to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such determination and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10. **Successors.** This Agreement shall bind, and the benefits shall inure to, the parties to this Agreement, their legal representatives, successors in office or interest and assigns for a period of two (2) years from the date of this Agreement.

11. **Gender.** The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

12. **Captions.** The captions used in this Agreement are used only as a matter of convenience and for reference and in no way define, limit or describe its scope or intent.

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

If to TWG:

TWG Woodlawn LLC
c/o The Wolcott Group
2835 North Sheffield, Suite 212
Chicago, Illinois
Attention: Ari Golson

If to Authority:

Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 900
Chicago, Illinois 60611
Attention: Legal Department

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. 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 one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

14. **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.

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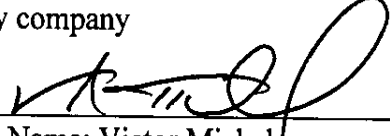
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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their authorized officers as of the day and year first above written.


TWG:

TWG WOODLAWN LLC, an Illinois limited liability company

By: 
Printed Name: Victor Michel
Its Manager-Member

AUTHORITY:

**ILLINOIS HOUSING DEVELOPMENT
AUTHORITY**

By: 
Printed Name: Peter K. Lennon
Its Assistant Executive Director

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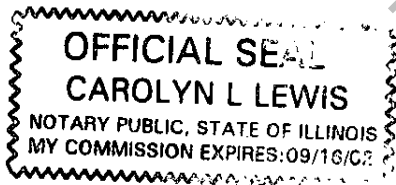
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Victor Michel, personally known to me to be the Manager-Member of TWG Woodlawn LLC, 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 Manager-Member of TWG Woodlawn LLC, as his free and voluntary act and deed and as the free and voluntary act and deed of Victor Michel, as Manager-Member, for the uses and purposes therein set forth.

Given under my hand and official seal this 15th day of May, 2002.

Carolyn L. Lewis
Notary Public



Property of Cook County Clerk's Office

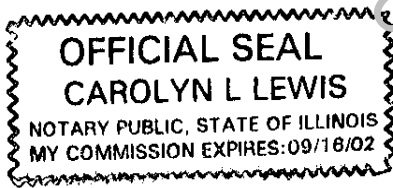
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Peter K. Lennon, personally known to me to be the Assistant Executive Director of the **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 he signed and delivered the said instrument in his capacity as Assistant Executive Director of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** as his free and voluntary act and deed and as the free and voluntary act and deed of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** for the uses and purposes therein set forth.

Given under my hand and official seal this 5th day of May, 2002.



Carolyn L. Lewis
Notary Public

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EXHIBIT " A "

**LEGAL DESCRIPTION FOR PROPERTY LOCATED AT:
6138 SOUTH WOODLAWN, CHICAGO, ILLINOIS 60637**

THE SOUTH 58 FEET (EXCEPT THE WEST 10 FEET THEREOF) OF THE NORTH 116 FEET OF THE EAST ½ OF THE SOUTH ½ OF BLOCK 1 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

P.I.N.: 20-14-312-010

ADDRESS OF PROPERTY: 6138 South Woodlawn, Chicago, Illinois 60637