

UNOFFICIAL COPY

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

**TO: Arthur Murphy, Esq.
Illinois Housing Development
Authority
401 N. Michigan Ave., Ste. 900
Chicago, Illinois 60611
Permanent Tax Index
Identification No.:
07-30-420-019-0000
Property Address:
7607 Crescent
Hanover Park, Illinois
HTF-1807**



Doc#: 0520626058
Eugene "Gene" Moore Fee: \$46.00
Cook County Recorder of Deeds
Date: 07/25/2005 10:25 AM Pg: 1 of 12

REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (this "Agreement"), made and entered into as of this 16th day of June, 2005, by and between **ASWIN B. PATEL and BINTA A. PATEL**, individuals ("Borrower"), 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 North Michigan Avenue, Suite 900, Chicago, Illinois 60611;

WITNESSETH:

FIRST AMERICAN TITLE

ORDER # 1121521A

WHEREAS, Borrower is the fee owner of certain real property upon which a single family home has been constructed, legally described in **Exhibit A** attached to and made a part of this Agreement (the "Real Estate"), located at 7607 Crescent, in Hanover Park, Illinois. The Real Estate and the improvements constructed on it are collectively referred to in this Agreement as the "Home"; and

WHEREAS, the Authority is the program administrator of the Illinois Affordable Housing Program, as that program is authorized by the Illinois Affordable Housing Act, 310 ILCS 65/1 *et seq.*, as amended from time to time (the "Trust Fund Act"), and the rules promulgated thereunder (the "Rules"). All capitalized terms used in this Agreement and not otherwise defined shall have the meanings established in the Trust Fund Act or, if not so established, in the Rules; and

WHEREAS, the Authority has agreed to make a loan to Borrower in the amount of Forty-Seven Thousand Five Hundred and No/100 Dollars (\$47,500.00) (the "Loan"), to be used with other monies, if any, for the acquisition and permanent financing of the Home; and

WHEREAS, contemporaneously with the execution and delivery of this Agreement,

UNOFFICIAL COPY

Borrower has executed and delivered to the Authority its mortgage note (together with any renewals, modifications, extensions, amendments and replacements, the "Note") of even date herewith, as evidence of its indebtedness to the Authority in the principal sum of Forty-Seven Thousand Five Hundred and No/100 Dollars (\$47,500.00); and

WHEREAS, the Loan is evidenced, secured and governed by, among other things: (a) the Note, (b) that certain Junior Mortgage, Security Agreement and Assignment of Rents and Leases (the "Mortgage"), dated as of the date hereof, executed by Borrower, as mortgagor, and delivered to the Authority, as mortgagee and (c) this Agreement. This Agreement, the Note, the Mortgage and all other documents executed by Borrower that evidence, secure or govern the Loan are sometimes collectively referred to in this Agreement as the "Loan Documents"; and

WHEREAS, as an inducement to the Authority to make the Loan, Borrower has agreed to enter into this Agreement and consents to be regulated and restricted by the Authority as provided in it, and as provided for in the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of the Authority promulgated under the Act, all as they may be amended and supplemented from time to time, as applicable.

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. **Act and Rules**. Borrower agrees that at all times its acts regarding the Home shall be in conformance with the applicable provisions of the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of the Authority promulgated under the Act, all as they may be amended and supplemented from time to time.
3. **Representations and Agreements**. Borrower further represents and agrees that:
 - a. The Home shall be occupied by Tenants (as defined in **Paragraph 10** hereof) whose income, at the time of initial occupancy, does not exceed the income limits for Very Low Income Tenants (as defined in **Paragraph 10** hereof);
 - b. In the management and operation of the Home, Borrower agrees to abide by the applicable provisions of the Trust Fund Act, the Rules and all applicable ordinances, regulations and statutes and the rules, procedures and requirements of the Authority;
 - c. On forms approved by the Authority, Borrower shall obtain from each prospective Very Low Income Tenant prior to his or her admission to the Home, a certification of income (the "Certification"). Borrower shall submit such Certifications to

UNOFFICIAL COPY

the Authority in the manner prescribed by the Authority;

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

e. Borrower shall comply with the rent limitations contained in Section 360.904(c) of the Rules; Borrower shall annually submit a schedule of rents for the Home for the Authority's approval, and shall not change the rent schedule for the Home without the Authority's approval.

f. Borrower shall require all Tenants to execute a lease (the "Lease") in a form approved by the Authority;

g. Borrower shall obtain all federal, state and local governmental approvals required by law for its acquisition, ownership and operation of the Home; and

h. Borrower shall not evict any Tenant from the Home without good cause.

4. Acts Requiring Authority Approval. Except as permitted pursuant to the other Loan Documents, and subject to the provisions of the Senior Loan Documents (as defined in the Mortgage), Borrower shall not, without the prior written approval of the Authority, which may be given or withheld in the Authority's sole discretion:

a. Convey, transfer or encumber the Home or any part of it, or permit the conveyance, transfer or encumbrance of the Home or any part of it;

b. Convey, assign or transfer any right to manage, or receive the rents and profits from, the Home;

c. Initially rent any Home for a period other than one (1) year, and after such initial one (1) year period, rent any Home for less than six (6) months or more than one (1) year; or

d. Require, as a condition of the occupancy or leasing of the Home, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not to exceed one (1) month's rent to guarantee the performance by

UNOFFICIAL COPY

the Tenant of the covenants of the Lease. Any funds collected by Borrower, as security deposits shall be kept separate and apart from all other funds of the Borrower.

5. Borrower Duties. In addition to, but not by way of limitation of, the other duties of Borrower set forth in this Agreement; Borrower shall comply with the following:

a. Maintenance. Borrower shall maintain the Home and the grounds and equipment appurtenant to it in a decent, safe and sanitary condition, and in a rentable and tenantable state of repair, and in compliance with all applicable federal, state and local statutes, regulations, ordinances, standards and codes.

b. Management. Borrower shall provide for the management of the Home in a manner satisfactory to the Authority.

c. Audit. The Home and the equipment, buildings, plans, specifications, apparatus, devices, books, contracts, records, documents and other papers relating to it, and the books and records relating to Borrower, shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection and copying by the Authority or its agent or representative upon reasonable prior notice during normal business hours, as the Authority reasonably requires.

d. Furnishing Information. At the request of the Authority, Borrower shall furnish such reports, projections, certifications, budgets, operating reports, tax returns and analyses as required pursuant to the statutes, rules and regulations of the Authority and the Trust Fund Act, as amended from time to time, or by other applicable federal or state statutes or requirements, and from time to time shall give specific answers to written questions in connection with Borrower's income, assets, liabilities, contracts and operation, all relating to the Home, and the administration, operation, maintenance, occupancy, financial soundness and physical condition of the Home.

e. Compliance with Certain Laws. Borrower shall comply with the provisions of the Environmental Barriers Act (410 ILCS 25/1 *et seq.*, as amended from time to time), the Illinois Accessibility Code, 47 Ill. Adm. Code 400, Subpart I, as amended from time to time, except as otherwise approved by the Authority, and the Americans With Disabilities Act, 42 U.S.C. 12101 *et seq.*, as amended from time to time, if applicable.

6. Non-Discrimination in Housing.

a. Borrower shall not, in the selection of Tenants, in the provision of services, or in any other manner unlawfully discriminate against any person on the grounds of race, color, creed, religion, sex, age, unfavorable military discharge, ancestry, handicap, national origin, marital status, familial status or because the prospective Tenant is

UNOFFICIAL COPY

receiving governmental rental assistance.

b. Borrower shall comply with all of the provisions of Paragraph 3805/13 of the Act, Paragraph 65/10(a) of the Trust Fund Act and all other provisions of federal, state and local law relating to non-discrimination.

7. Accounts.

a. Replacement Reserve Account. Borrower shall establish and maintain the Replacement Reserve Account with IHDA. The Replacement Reserve Account shall be funded as follows: commencing on the first (1st) day of the second (2nd) month following the date of the final disbursement of the Loan proceeds (the "Final Closing Date"), or such other earlier date as the Authority designates in writing to Borrower, and on the first (1st) day of each month thereafter, Borrower shall make monthly deposits into the Replacement Reserve Account in the amount of one-twelfth (1/12th) of Two Hundred Fifty and No/100 Dollars (\$250.00), or such other sum as the Authority shall, from time to time, specify. In addition to the foregoing, on or before the Final Closing Date, Borrower shall initially deposit into the Replacement Reserve Account the sum of Two Hundred Fifty and No/100 Dollars (\$250.00). The Replacement Reserve Account shall be under the control of the Authority or its designee.

b. Operating Deficit Reserve Account. On or before the Final Closing Date, Owner shall deposit with the Authority the sum of Five Hundred and No/100 Dollars (\$500.00) as and for an operating deficit reserve, which the Authority will deposit into an Operating Deficit Reserve Account (the "Operating Deficit Reserve Account") for the Home. Funds in the Operating Deficit Reserve Account shall be used for initial operating deficits, to be used in the Authority's sole discretion.

8. Violation of Agreement by Borrower. Upon violation of any of the provisions of this Agreement by Borrower, the Authority may give notice of such violation to Borrower as provided in **Paragraph 19** hereof. If such violation is not corrected to the satisfaction of the Authority within thirty (30) days after such notice, the Authority may declare a default under this Agreement; however, if such condition is not reasonably curable in thirty (30) days despite Borrower's reasonable efforts to cure it, Borrower shall have one hundred twenty (120) additional days to cure such default, so long as (i) that cure is commenced within such thirty (30) day period, (ii) Borrower continues to diligently pursue such cure in good faith and (iii) the Authority's security for the Loan is not, in the sole judgment of the Authority, impaired as a result of the existence of such failure; after the expiration of such one hundred fifty (150) day period, the Authority may declare a default under this Agreement, effective on the date of notice of such declaration of default to Borrower, and upon such default, and so long as such default is continuing, the Authority may do the following:

a. Declare the whole of the indebtedness under the Note immediately due and

UNOFFICIAL COPY

payable and then proceed to exercise the rights and remedies set forth in any Loan Document;

b. Subject to the rights of Senior Lender (as defined in the Mortgage), take possession of the Home, bring any action necessary to enforce any rights of Borrower growing out of the operation of the Home and operate the Home in accordance with the terms of this Agreement until such time as the Authority, in its sole discretion, determines that Borrower is again in a position to operate the Home in accordance with the terms of this Agreement and in compliance with the requirements of the Note;

c. Subject to the rights of the Senior Lender, collect all rents and charges in connection with the operation of the Home and use such collections to pay Borrower's obligations under this Agreement, the Note, the Mortgage or any other Loan Document and such other obligations of Borrower in connection with the Home and the necessary expenses of preserving and operating it;

d. Apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Home in accordance with the terms of this Agreement, or for such other relief as may be appropriate. Because the injury to the Authority arising from a default under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain, Borrower acknowledges and agrees that the Authority's remedies at law, in the event of a violation of this Agreement, would be inadequate to assure the Authority's public purpose under the Trust Fund Act; or

e. Exercise such other rights or remedies as may be available to the Authority under this Agreement, at law or in equity.

The Authority's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the Authority's other remedies. No waiver by the Authority of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach. The failure or delay of the Authority in exercising any of its rights under this Agreement in any one or more instances, or the exercise of less than all of its rights in any one or more instances, shall not be deemed or construed as a waiver of any such rights.

9. Termination of Liabilities. In the event of a sale or other transfer of the Home, all of the duties, obligations, undertakings and liabilities of Borrower 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 Home (a "New Borrower"), as a condition precedent to its admission as a New Borrower, shall assume in

UNOFFICIAL COPY

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.

10. 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 annualized 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. "Tenant". As used in this Agreement, the word "Tenant" means a person, family or unrelated persons leasing the Home.

11. Term of Agreement; Covenants Run with the Home. The covenants and agreements set forth in this Agreement shall encumber the Home and be binding on any New Borrower and any other future owners of the Home and the holder of any legal, equitable or beneficial interest in it for so long as the Note is outstanding and in effect. However, if the date of the cancellation of the Note (the "Cancellation Date") is prior to the date that the Note was originally scheduled to mature (the "Maturity Date"), the covenants and agreements set forth in **Paragraphs 2, 3(a)-(f), 5(a), 5(c), 6, 7(a)-(b), and 8-21** hereof (collectively, the "Continuing Obligations") shall remain in effect for the period of time commencing on the Cancellation Date and ending on the Maturity Date, irrespective of whether the Loan is prepaid voluntarily by Borrower or tendered by any party following an acceleration by the Authority of the Note or enforcement by the Authority of its remedies in connection with the Loan.

Borrower expressly acknowledges that its undertakings and agreements stated in this Agreement are given to induce the Authority to make the Loan and that, even if the Loan has been repaid prior to the Maturity Date, the Borrower's undertaking to perform the Continuing Obligations for the period set forth in the previous paragraph is a condition precedent to the willingness of the Authority to make the Loan.

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

13. Execution of Conflicting Documents. Borrower 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

UNOFFICIAL COPY

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. To the extent this Agreement conflicts with any provisions or requirements set forth in the Mortgage or the Note, the provisions of the Mortgage or the Note, as the case may be, shall prevail and control. The provisions of this **Paragraph 13** shall not be deemed to be violated by, or violate, the Senior Loan Documents.

14. 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.

15. Successors. Subject to the provisions of **Paragraph 9** hereof, 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; however, Borrower may not assign this Agreement, or any of its obligations under this Agreement, without the prior written approval of the Authority.

16. Indemnification of the Authority. Borrower agrees to defend and indemnify and hold harmless the Authority from and against any and all damages, including, but not limited to, any past, present or future claims, actions, causes of action, suits, demands, liens, debts, judgments, losses, costs, liabilities and other expenses, including, but not limited to, reasonable attorneys' fees, costs, disbursements, and other expenses, that the Authority may incur or suffer by reason of or in connection with the Real Estate or the Home. Borrower further agrees that the Authority, if it so chooses, shall have the right to select its own counsel with respect to any such claims.

17. 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.

18. 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.

19. 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.

UNOFFICIAL COPY

If to Borrower: Aswin B.Patel and Binta A. Patel
1480 Sandburg Drive
Schaumburg, IL 60173

If to Authority: Illinois Housing Development Authority
401 N. Michigan Ave., 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.

20. Subordination. This Agreement shall be subject and subordinate in all respects to the Senior Loan Documents (as defined in the Mortgage).

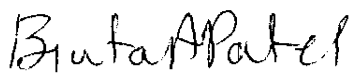
21. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date and year first written above.

BORROWER:



Aswin A. Patel

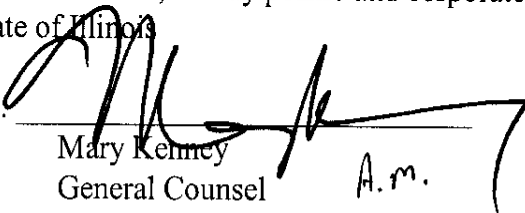


Binta A. Patel

UNOFFICIAL COPY

AUTHORITY:

**ILLINOIS HOUSING DEVELOPMENT
AUTHORITY**, a body politic and corporate of the
State of Illinois


By: 
Mary Kenney
General Counsel A.M.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Aswin B. Patel and Binta A. Patel, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this 16th day of June, 2005.





Notary Public

UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1: LOT 8 IN BLOCK 42 IN LIBERTY SQUARE UNIT NO. 3, BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 29, AND THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS OVER LOT 2 IN LIBERTY SQUARE UNIT NO. 3, ALL IN COOK COUNTY, ILLINOIS.