

# UNOFFICIAL COPY

H:\Ruth\ Greenwood City to TWG



Doc#: 0613812170 Fee: \$176.50  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 05/18/2006 04:48 PM Pg: 1 of 77

## Assignment Of Mortgage And Other Loan Documents And Assumption of Regulatory Agreement ("Assignment")

SPACE ABOVE THIS LINE RESERVED FOR  
RECORDER'S USE ONLY

I. FCR VALUE RECEIVED, in the amount of \$ 307,796.82 and other good and valuable consideration (the "Assignment Price"), the undersigned, CITY OF CHICAGO, ILLINOIS, an Illinois municipal corporation ("Assignor"), DOES HEREBY ASSIGN, SET OVER, TRANSFER AND CONVEY to TWG FUNDING XXII LLC, an Illinois Limited Liability Company ("Assignee"), whose address is 1144 W. Fulton St., Chicago, Illinois 60607, all of Assignor's right, title and interest in, to and under the following instruments:

1. Junior Mortgage and Security Agreement ("the Security Instrument") dated September 25, 1992, made by SSG Limited Partnership, an Illinois limited partnership ("SSG"), in favor of Assignor, and recorded with the Recorder of Deeds of Cook County, Illinois ("Recorder") on September 25, 1992, as Document No. 92715967 encumbering the Property located at:

Parcel 1:  
P.I.N.: 20-02-309-007

LOT 3 IN WILLIAM D. EWART'S SUBDIVISION OF LOTS 10,11, 12 AND 13 INCLUDING THE VACATED ALLEY LYING WEST AND SOUTH OF SAID LOT 13 (EXCEPT THE EAST 16 FEET OF LOT 13 DEDICATED FOR ALLEY) OF BLISS AND WAITE'S SUBDIVISION OF THAT PART LYING WEST OF HYDE PARK AVENUE OF THE NORTH HALF OF BLOCK 4 IN THE SUBDIVISION OF E. K. HUBBARD'S EXECUTORS OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS

# UNOFFICIAL COPY

Parcel 2:

P.I.N. 20-02-309-008

20-02-309-009

LOTS 15 AND 16 IN MEDILL'S SUBDIVISION OF THE SOUTH HALF OF BLOCK 4 (EXCEPT THE NORTH 16.5 FEET THEREOF) IN A SUBDIVISION BY EXECUTORS OF E.K. HUBBARD OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 4433-37 S. Greenwood, Chicago, IL

2. Any and all other documents and instruments (except for the Regulatory Agreement and Second Regulatory Agreement referred to in Section V and VI hereof below) securing that certain Note dated September 25, 1992, in the original principal amount of Three Hundred Forty-five Thousand Dollars (\$345,000.00) (the "Loan Amount") made by the Debtor to the order of Assignor.
  3. That certain Housing Loan Agreement dated September 25, 1992 made by and between the Assignor and SSG except for that Certain Regulatory Agreement dated September 25, 1992 and recorded in the Office of the Cook County Recorder of Deeds as document number 92715962 (the Security Instrument, the Note, and the Housing Loan Agreement, and all other documents entered into in connection with the Loan evidenced by the Note shall collectively be known herein as the "Loan Documents").
  4. That certain Assignment of Rents and Leases dated September 25, 1992 made by the Debtor in favor of Assignor, and recorded with the Recorder on September 25, 1992 as Document No. 92715968
  5. That certain UCC-1 Financing Statement executed by Debtor in favor of the City of Chicago Department of Housing and recorded September 25, 1992 as Document No. 92U17022.
- II. If on the date of this Assignment the Assignee has acquired the general partnership interest of SSG Limited Partnership as evidenced by an executed amendment to the limited partnership agreement, the Assignee shall pay to the Assignor the Assignment Price on the date hereof, and the City shall within 7 days of payment issue a release of lien.
- III. If on the date of this Assignment the Assignee has not acquired the general partnership interest of SSG Limited Partnership, the Assignee shall, on the date hereof, deposit the Assignment Price into an interest-bearing strict joint escrow

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account for the benefit of the Assignor and the Assignee with Chicago Title & Trust, a Strict Joint Order Escrow (the "Escrow Account") and pursuant to terms and conditions set forth herein. The Assignee shall bear the cost of the Escrow Account. On the date hereof the Assignor and Assignee shall both execute a joint letter of direction attached hereto as Exhibit A to disburse the Assignment Price according to the terms set forth below:

1. If the Debtor reinstates the Loan pursuant to the Illinois Mortgage Foreclosure Act, or if the Debtor otherwise cures any event or events of default under the Loan Documents by paying the necessary amount of money (the "Cure Amount") to bring the Loan current, and the Assignee accepts such reinstatement or cure, then: (a) this Assignment shall be rescinded and terminated; (b) the Assignee shall assign the Loan Documents back to the Assignor and shall execute all instruments necessary to accomplish such assignment; (c) the Assignee shall remit to the Assignor the Adjusted Cure Amount, which means, for purposes of this Assignment, the Cure Amount minus a special servicing fee in the amount of \$ 25,000.00, the Assignee's attorney's fees, and Assignee's costs and/or other advances included in the Cure Amount (the "Adjusted Cure Amount"); and (d) any and all funds held in the Escrow Account shall be disbursed to the Assignee after the Assignee has provided to the Assignor a detailed statement of the Adjusted Cure Amount which is due the Assignee and payment of the Adjusted Cure Amount.
2. If the Assignee forecloses upon the Property pursuant to the Security Instrument and the Debtor redeems the Property by paying the amount of money necessary to redeem pursuant to the Illinois Mortgage Foreclosure Act (the "Redemption Amount"), then the Assignee shall pay to the Assignor the difference between the Loan Amount and the Assignment Price minus Assignee's attorney's fees and costs and advances. The remainder of any funds included in the Redemption Amount shall be retained by the Assignee. Any and all funds held in the Escrow Account shall be disbursed to the Assignor. Assignee shall provide to Assignor a detailed statement of the Redemption Amount including additional costs and fees.
3. Notwithstanding the terms of paragraph 2 above, in the event that Assignee is forbidden by the foreclosure court to claim as part of its Redemption Amount any of the accrued interest set forth in the Affidavit of Delinquency filed in the foreclosure action, then any and all funds held in the Escrow Account shall be disbursed to the Assignee, and the Assignee shall pay to the Assignor the loan amount minus Assignee's attorney's fees and costs and advances.
4. If the Assignee forecloses upon the Property pursuant to the Security Instrument and a third party bidder acquires title to the Property pursuant to an order approving the foreclosure sale, then any and all funds held in

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the Escrow Account shall be disbursed to the Assignor once the proceeds of the foreclosure sale have been released to the Assignee. In addition, Assignee shall pay Assignor that portion of the judicial sale price which equaled the interest and fees due to the City at the time of the assignment, \$70,518.00.

5. If the Assignee forecloses upon the Property pursuant to the Security Instrument and acquires title to the Property pursuant to an order approving the foreclosure sale, any and all of the funds held in the Escrow Account shall be disbursed to the Assignor upon the issuance of a judicial or sheriff's deed in the name of the Assignee.

6. In the event the Assignee acquires title to the Property pursuant to a deed-in-lieu of foreclosure, a consent judgment (as that term is defined in the Illinois Mortgage Foreclosure Act) or any other similar means, any and all of the funds held in the Escrow Account shall be disbursed to the Assignor.

IV. The Assignee hereby represents, warrants and covenants to the Assignor that if the Assignee, or any affiliated entity of Assignee or any entity owned or controlled by any of the principles of Assignee as of the date hereof (the foregoing collectively, "an Affiliate"), bids for the Property at any foreclosure sale of the Property then the Assignee (or its Affiliate) shall bid no less than the amount of the judgment of foreclosure plus additional costs and interest.

V. In the event that the Assignee or any Affiliate shall acquire legal or beneficial title to the Property pursuant to a deed or similar instrument (the "Deed"), the Assignee or any Affiliate shall simultaneously assume all of the Debtor's obligations under that certain Regulatory Agreement dated September 22, 1992 made by and between the Assignor and SSC, and the Second Regulatory Agreement executed on the date hereof.

VI. In the event that the Assignee or an Affiliate shall acquire legal or beneficial title to the Property, in connection with the Assignee's assumption of all of the Debtor's obligations under the Original Regulatory Agreement, the Assignee or its Affiliate shall simultaneously enter into a regulatory agreement with the Assignor in the form attached hereto as Exhibit B, record the executed Second Regulatory Agreement with the Recorder simultaneously with the recordation of the Deed, and provide the Assignor with evidence of the recordation of the Second Regulatory Agreement.

VII. The Assignee hereby represents, warrants and covenants to the Assignor that:

1. No current occupants of the Property leasing the Property or portions thereof ("Tenants") pursuant to Leases between the Debtor and such Tenants ("Leases") shall be displaced, removed or evicted from the Property in connection with, on account of, or as a result of the Assignee's exercise of any

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remedies afforded the Assignee pursuant to the Security Instrument. Nothing in this paragraph will alter the Assignee's legal right to file eviction actions against Tenants who fail to pay rent, or otherwise violate the terms of their Leases.

2. In the event that the Assignee or an Affiliate shall acquire legal or beneficial title to the Property, Assignee shall not increase the rents paid by the Tenants pursuant to the Leases except as may be permitted by the terms and conditions of the Leases, subject to the terms and conditions of the Original Regulatory Agreement and the Modification Agreement.
3. In the event that the Assignee or an Affiliate shall acquire legal or beneficial title to the Property, the Assignee or such Affiliate shall expend not less than \$400,000.00 to rehabilitate the Property as detailed in the anticipated Scope of Work attached hereto as Exhibit C, and any additional work which may be necessary as determined by Assignee's or such Affiliate's full inspection of the Property.
4. The Assignee shall proceed with the pending foreclosure proceeding of both the Security Instrument and the first priority mortgage on the Property and proceed to judgment of foreclosure, foreclosure sale and confirmation of foreclosure sale on both such mortgages. If the foreclosure action is dismissed, then (a) this Assignment shall be rescinded and terminated, (b) the Assignee shall assign the Loan Documents back to the Assignor and shall execute all instruments necessary to accomplish such assignment, and (c) unless the dismissal is a result of an event as provided in Section II hereof (in which event the provisions of Section II shall control as applicable), any and all funds held in the Escrow Account shall be disbursed to Assignee, and the Assignee and Assignor shall execute a joint letter of direction for this purpose.

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– SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement  
this 18<sup>th</sup> day of May, 2006.

**Assignor:**  
CITY OF CHICAGO, ILLINOIS, AN ILLINOIS  
MUNICIPAL CORPORATION

By: \_\_\_\_\_

Printed Name: John G. Markowski

Its: **Commissioner of the Department of Housing**  
(Title)

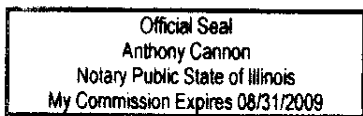
STATE OF ILLINOIS )  
) SS  
COUNTY OF COOK )

BEFORE ME, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that John G. Markowski, who is the Commissioner of the City of Chicago's Department of Housing, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and consideration therein expressed as the act and deed of the City of Chicago, Department of Housing, and in the capacity therein stated.

GIVEN under my hand this 17<sup>th</sup> day of May, 2006.

Digna Castro

NOTARY



ACCEPTED:

TWG FUNDING XXII LLC, AN ILLINOIS LIMITED LIABILITY COMPANY

By: \_\_\_\_\_

Printed Name: Victor MICHEL

Its: Member

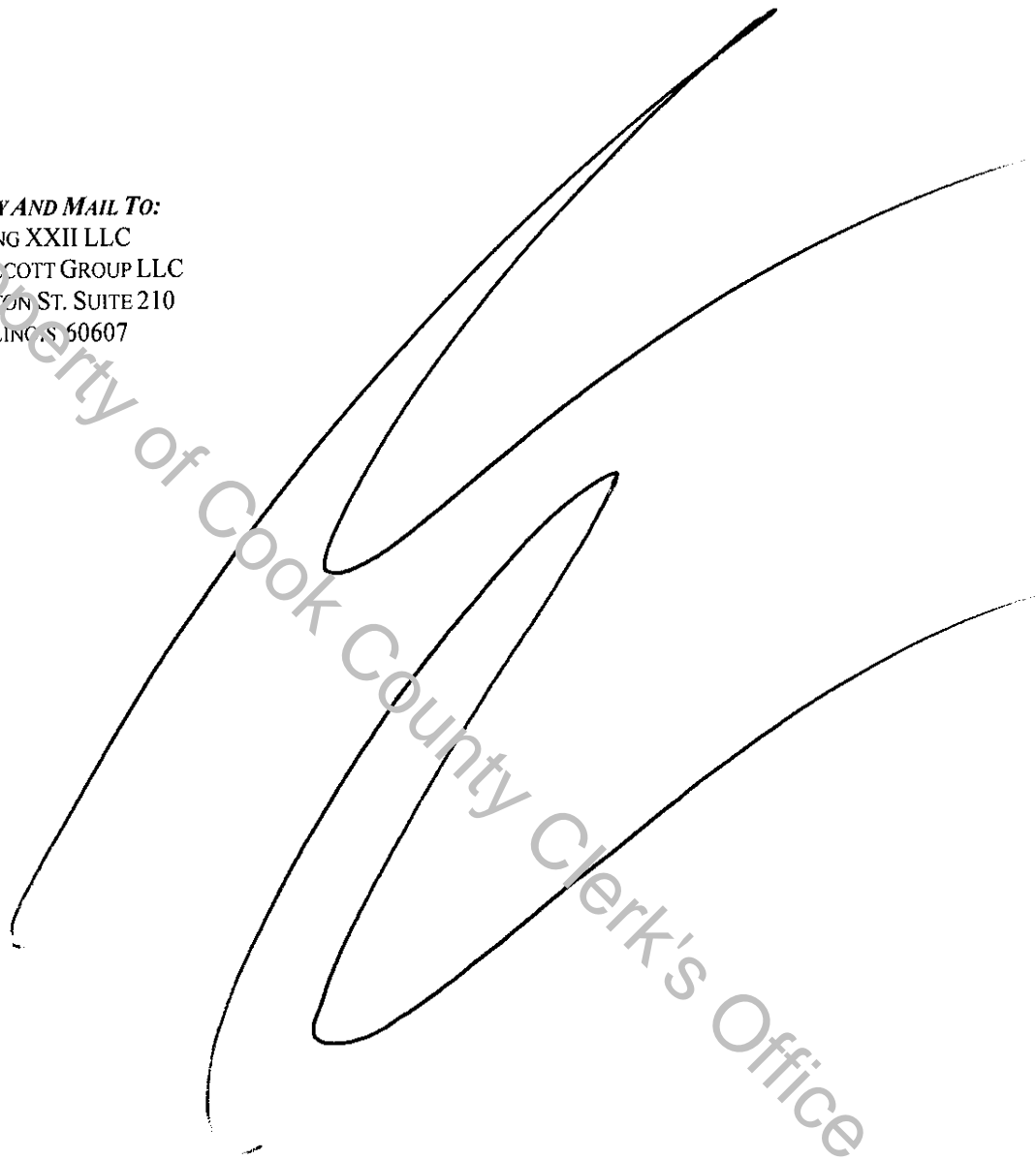
BEFORE ME, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that Victor Michel, who is the General Counsel for TWG Funding XXII LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of TWG Funding XXII LLC and in the capacity therein stated.

GIVEN under my hand this 18<sup>th</sup> day of MAY, 2006.

6 Anthony Cannon

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**PREPARED BY AND MAIL TO:**  
TWG FUNDING XXII LLC  
C/O THE WOLCOTT GROUP LLC  
1144 W. FULTON ST. SUITE 210  
CHICAGO, ILLINOIS 60607



Property of Cook County Clerk's Office

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EXHIBIT A

THE REGULATORY AGREEMENT

Property of Cook County Clerk's Office





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**THIS INSTRUMENT WAS PREPARED  
BY AND AFTER RECORDING RETURN  
TO: TWG Funding XXII LLC  
c/o The Wolcott Group LLC  
1144 W. Fulton Street Suite 210  
Chicago, Illinois 60626**

**Property Address:  
4433-37 South Greenwood  
Chicago, Illinois**

H:/Ruth /DOH Defense Cases/ SSG2/Greenwood Regulatory Agreement

## **SECOND REGULATORY AGREEMENT**

This **SECOND REGULATORY AGREEMENT** (this "Agreement"), is made and entered into as of this 18<sup>th</sup> day of MAY, 2006, by and between **TWG FUNDING XXII LLC**, an Illinois limited liability company ("TWG"), and the **CITY OF CHICAGO, ILLINOIS**, an Illinois municipal corporation (the "City") by and through its Department of Housing, having its principal office at 33 South La Salle Street, Chicago, Illinois 60602.

### **WITNESSETH:**

**WHEREAS**, on September 25, 1992, SSG Limited Partnership, an Illinois limited partnership (known as the "Debtor") executed and delivered to the City a Note in the principal amount of \$345,000.00 (the "City Note") and secured by a Junior Mortgage and Security Agreement made in favor of the City dated as of September 25, 1992 ("City Mortgage") encumbering a property commonly known as **4433-37 S. Greenwood** Chicago, Illinois (the "Real Estate"), which are legally described on Exhibit "A" attached hereto (the "City Mortgage") and identified by the respective property index numbers: 20-02-309-007, -008 and -009, the City Mortgage was recorded in the Cook County Recorder's Office (the "Recorder") on September 22, 1992 as Document No 92715967, to secure repayment of the City Loan and the City Note; and

**WHEREAS**, in connection with the City Loan, the Debtor executed and delivered to the City, among other documents, a Regulatory Agreement dated as of September 25, 1992 (the "Original Regulatory Agreement"), by and between the City and the original named Borrower, SSG Limited Partnership, encumbering the Real Estate, a copy of which is attached hereto as Exhibit "B"; and

**WHEREAS**, the City has assigned and sold the City Loan to the first priority mortgage holder, TWG (the "Sale"), pursuant to the settlement of litigation; and

**WHEREAS**, TWG is the fee owner of the Real Estate; and

**WHEREAS**, as a condition of the Sale, TWG has agreed to comply with all of the terms, covenants and restrictions of the Original Regulatory Agreement and;

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and

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valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **Incorporation.** The foregoing recitals and the terms, covenants, and agreements set forth in the Original Regulatory Agreement are incorporated in this Agreement and shall have the same force and effect as if set forth in full herein.

2. **Agreement.** TWG, its agents or assigns shall comply with this Agreement and specifically, all of the terms, covenants and restrictions of the Original Regulatory Agreement entered into by and between the Debtor and the City, unless explicitly amended by this Agreement.

3. **Term of Agreement; Covenants Run with Development; Termination; Business Relationships; Events of Default and Remedies.**

A. This Agreement and the Original Regulatory Agreement incorporated herein shall remain in full force and effect until the end of the "Project Term" as defined in the Original Regulatory Agreement, 42 years from September 25, 1992;

B. This Agreement and the Original Regulatory Agreement incorporated herein shall encumber the Real Estate and be binding on any other future owners of the Real Estate and the holder of any legal, equitable or beneficial interest in it until the completion of its Term. The definition of the Term as set forth in Section 5 of the Original Regulatory Agreement is modified as follows:

- 1) Section 5.1 of the Original Regulatory Agreement remains in effect as drafted;
- 2) Section 5.2 (a)(1)(i) is modified to read:

Subject to paragraph (b) of this Section, the covenants and restrictions contained herein shall cease, upon the transfer of the Real Estate pursuant to the foreclosure of the Senior Mortgage or the transfer of the Real Estate by an instrument in lieu of foreclosure of the Senior Mortgage.

- 3) 5.2(a)(2) is deleted.
- 4) 5.2 (b) remains in effect as drafted.

C. On or after the last day of the Project Term, the City and TWG shall promptly release this Agreement, the Original Regulatory Agreement, upon TWG's written request to the City to execute said release.

D. In the event of a conflict between any of the provisions of the Original Regulatory Agreement, and/or this Instrument, the provisions of this Instrument shall override and control.

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E. Notwithstanding any of the foregoing, any provision of the Original Regulatory Agreement which is intended, pursuant to the terms of the Original Regulatory Agreement, to survive beyond the Termination Date (as defined above), including but not limited to Sections 2.15, 2.16 and 2.17 of the Original Regulatory Agreement, shall survive beyond the Termination Date.

F. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a [Business Relationship] (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Regulatory Agreement, or in connection with the transactions contemplated thereby, shall be grounds for termination of this Regulatory Agreement and the transactions contemplated thereby. TWG hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Regulatory Agreement or the transactions contemplated thereby. In the event of a breach of this section by TWG the default provisions set forth in paragraph G below control and TWG shall pay to the City the default payment as defined therein.


G. In the event of a breach by TWG of TWG's obligations hereunder, TWG shall pay to the City \$70,518.00 (the "Default Payment") which is the amount of interest the City waived at the time of the lien assignment, subject to the following: the Default Payment shall be reduced monthly by \$ 286.66 of the original amount of the Default Payment as set forth above for 246 consecutive months commencing on November 1, 2005 and on the first day of each month thereafter until September 25, 2034. Notwithstanding the above, no default will occur after the Completion of the Term.

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– SIGNATURE PAGE FOLLOWS]

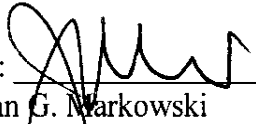
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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their authorized officers as of the day and year first above written.

**TWG FUNDING XXII LLC**, an Illinois limited liability company

By:   
Printed Name: Victor Michel  
Its: Manager-Member

**CITY OF CHICAGO**, an Illinois municipal corporation

By:   
John G. Markowski  
Commissioner of the City of Chicago  
Department of Housing

Property of Cook County Clerk's Office

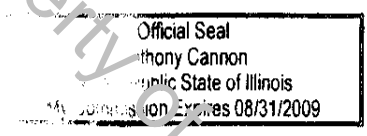
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STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that VICTOR MICHEL, personally known to me to be a Member of TWG FUNDING XXII LLC, an Illinois limited liability company 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 a Member of TWG FUNDING XXII LLC, an Illinois as his free and voluntary act and deed and as the free and voluntary act and deed of VICTOR MICHEL, as Member, for the uses and purposes therein set forth.

Given under my hand and official seal this 18<sup>TH</sup> day of MAY, 2006.

Anthony Cannon  
Notary Public



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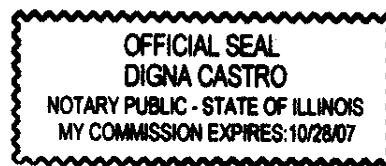
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STATE OF ILLINOIS    )  
                                   ) SS  
 COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that John G Markowski, personally known to me to be the Commissioner of the City of Chicago Department of Housing of the CITY OF CHICAGO, 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 Commissioner of the Department of Housing of the CITY OF CHICAGO as his free and voluntary act and deed and as the free and voluntary act and deed of the CITY OF CHICAGO for the uses and purposes therein set forth.

Given under my hand and official seal this 17<sup>th</sup> day of May, 2006.

Digna Castro  
 Notary Public



Property of Cook County Clerk's Office

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## EXHIBIT "A"

### LEGAL DESCRIPTION

Parcel 1:

P.I.N.: 20-02-309-007

LOT 3 IN WILLIAM D. EWART'S SUBDIVISION OF LOTS 10,11, 12 AND 13 INCLUDING THE VACATED ALLEY LYING WEST AND SOUTH OF SAID LOT 13 (EXCEPT THE EAST 16 FEET OF LOT 13 DEDICATED FOR ALLEY) OF BLISS AND WAITE'S SUBDIVISION OF THE PART LYING WEST OF HYDE PARK AVENUE OF THE NORTH HALF OF BLOCK 4 IN THE SUBDIVISION OF E.K. HUBBARD'S EXECUTORS OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS

Parcel 2:

P.I.N. 20-02-309-008

20-02-309-009

LOTS 15 AND 16 IN MEDILL'S SUBDIVISION OF THE SOUTH HALF OF BLOCK 4 (EXCEPT THE NORTH 16.5 FEET THEREOF) IN A SUBDIVISION BY EXECUTORS OF E.K. HUBBARD OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 4433-37 S. Greenwood, Chicago, IL

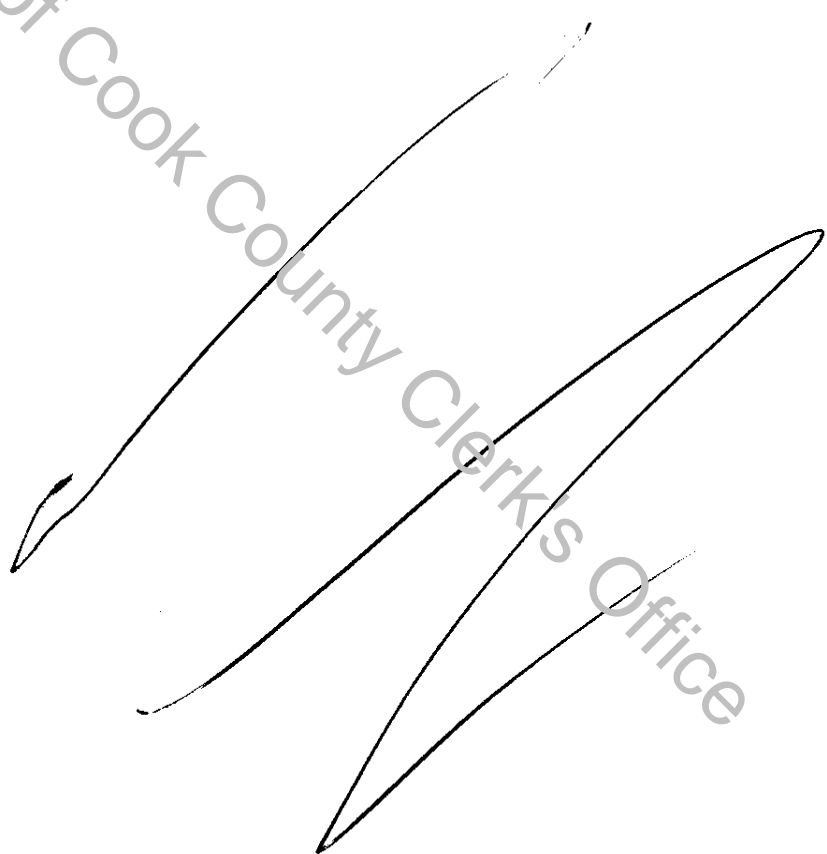
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## EXHIBIT "B"

"ORIGINAL REGULATORY AGREEMENT"

ATTACHED HERETO

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206929C

Official Business  
City of Chicago  
2 N. Dearborn  
James F. McDermid  
City Council

(2)

4433 S Greenwood

[9/24/92]

This document prepared by  
and when recorded return to:  
Angela Vosnos  
Office of Corporation Counsel  
Room 511  
121 North LaSalle Street  
Chicago, Illinois 60602

[Rental Rehab]

**REGULATORY AGREEMENT**

**92715962**

THIS REGULATORY AGREEMENT entered into and effective as of  
this 25th day of September, 1992 (this "Regulatory  
Agreement"), by and between the City of Chicago, Illinois (the  
"City"), an Illinois municipal corporation, by and through its  
Department of Housing ("DOH"), with offices at 318 South Michigan  
Avenue, Chicago, Illinois 60604, and SSG Limited Partnership, an  
Illinois limited partnership (the "Borrower"), having its offices  
at 853 North Elston Avenue, Chicago, Illinois 60622.

**ILLINOIS**

DEPT-OF MISC. \$3.00  
T43333 TRAN 4993 09/25/92 16:57:00  
43489 \* -92-715962  
COOK COUNTY RECORDER

WHEREAS, DOH is an executive department of the City  
established pursuant to Title 2 of the Municipal Code of the City,  
Chapter 2-44, Section 2-44-010, which supervises and coordinates  
the formulation and execution of projects and programs creating  
safe, decent and affordable housing for residents of the City; and

WHEREAS, the City has received an allocation of \$3,124,760 of  
Rental Rehabilitation Program ("Rental Program") grant funds,  
Program Year VI pursuant to Section 301 of the Housing and Urban  
Rural Recovery Act of 1983, which program provides for federal  
grants to local governments to help finance rehabilitation of  
privately owned residential structures devoted primarily to rental  
use and which units are eligible for rent subsidy programs so as  
to increase their accessibility to low- and moderate-income  
persons; and

**92715962**

WHEREAS, the City intends to loan \$345,000 of Rental Program  
funds (hereinafter referred to as the "Loan") to the Borrower for  
the purposes set forth below, and has requested that DOH  
administer the Loan; and

WHEREAS, the Borrower will utilize the Loan proceeds to  
rehabilitate the building located at 4433-4437 South Greenwood  
Avenue, Chicago, Illinois 60653 into 48 multi-family residential  
dwelling units (the "Project"), wherein two-, three- and four-  
bedroom units shall be occupied by individuals, groups of  
unrelated persons or families qualifying as Lower-Income Families  
(as hereinafter defined); and

7500

Box 430

92715962

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9 2 7 1 5 9 6 2

WHEREAS, as a specific condition precedent to the Borrower receiving the Loan, the Borrower has agreed to execute this Regulatory Agreement with the City governing the use of the Project;

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

**SECTION 1 DEFINITIONS AND INTERPRETATIONS.**

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"Borrower" shall mean, initially, SSG Limited Partnership, an Illinois limited partnership, and at any subsequent time of reference, the person or persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"Certificate of Continuing Program Compliance" shall mean the certificate from the Borrower in substantially the form set forth in Exhibit B attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"City" shall mean the City of Chicago, Illinois, an Illinois municipal corporation, and its successors and assigns.

"Completion Date" shall mean the date as of which the necessary rehabilitation work has been performed and the Project in HUD's judgment complies with the requirements of 24 C.F.R. Part 511 (including meeting the Section 8 Housing Quality Standards for Existing Housing set forth in 24 C.F.R. §882.109), and as of which the final disbursement of Loan proceeds derived from Rental Program funds for the Project shall have been made.

"DOH" shall mean the Department of Housing of the City, and any successor to said Department.

"Family" shall have the meaning assigned to such term in 24 C.F.R. §812.2.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Income Computation Certificate" shall mean the certificate in substantially the form set forth in Exhibit C attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Income Limit" shall mean 80% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

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9 2 7 1 5 9 6 2

"Loan" shall mean a loan by the City to the Borrower in the principal amount of \$345,000 for financing a portion of the cost of the Project.

"Loan Agreement" shall mean the Housing Loan Agreement, dated as of even date herewith, between the City and the Borrower with respect to the Loan, as hereafter amended, supplemented and restated from time to time.

"Lower-Income Families" shall mean and include individuals, groups of unrelated individuals or families whose adjusted annual income does not exceed the Income Limit.

"Mortgage" shall mean that certain Junior Mortgage and Security Agreement dated as of even date herewith from the Borrower to the City, as hereafter supplemented, amended and restated from time to time.

"Multi-Unit Program" shall mean the Housing Rehabilitation Program of DOH.

"Persons" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project" shall mean the low-income housing development erected or to be erected on real property located within the City and legally described on Exhibit A hereto.

"Project Term" shall mean the number of years during which the 48 units specified as to be occupied by Lower-Income Families must be occupied by or available for occupancy as provided in Section 2.10 hereof. The Project Term shall begin on the date hereof and shall continue for a period of 12 years, except as provided in Section 5.2 hereof.

"Regulatory Agreement" shall mean this Regulatory Agreement, as hereafter supplemented, amended and restated from time to time.

"Rental Program" shall mean the Rental Rehabilitation Program created under the RRP Act.

"RRP Act" shall mean Section 17 of the United States Housing Act of 1937, 42 U.S.C. §1437o et seq., as amended.

"RRP Funds" shall mean the Rental Rehabilitation Program funds awarded by HUD under the RRP Act.

"Senior Lender" shall mean Harris Trust and Savings Bank, located at 111 West Monroe Street, Chicago, Illinois, and its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$865,000 for financing a portion of the cost of the Project.

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"Senior Mortgage" shall mean that certain Construction Mortgage, Security Agreement and Financing Statement dated as of ~~September 25, 1992~~ granted by the Borrower to the Senior Lender securing repayment of the Senior Loan.

"State" shall mean the State of Illinois.

"Unit" shall have the meaning given to such term in Section 2.12(b) hereof.

"Very Low Income Family" shall mean any Family whose adjusted annual income does not exceed the Very Low Income Limit.

"Very Low Income Limit" shall mean 50% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings given such terms in the Loan Agreement.

**SECTION 2 BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

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The Borrower hereby represents, warrants, covenants and agrees as follows:

2.1 The Project shall be acquired, constructed and rehabilitated for the purpose of providing residential rental property, and the Borrower shall own, manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.2 The Project shall consist of residential units, together with facilities functionally related and incidental thereto, and which units are similar in quality and type of construction and amenities.

2.3 Each unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

2.4 None of the units in the Project shall at any time be used on a transient basis, and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

2.5 The units in the Project shall be made available for lease by members of the general public and the Borrower shall not give preference in renting units in the Project to any particular class or group of individuals other than Lower-Income Families as provided herein. No preference in tenant selection for the

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Project will be given to elderly or handicapped individuals or families.

2.6 The Project shall consist of the following unit configuration for Lower-Income Family households:

<u>Number of Bedrooms</u>	<u>Number of Units</u>
Two-Bedroom	28
Three-Bedroom	16
Four-Bedroom	4

2.7 The Borrower shall not convert any units in the Project to condominium ownership or to any form of cooperative ownership that is not eligible to receive RRP Funds from HUD.

2.8 The Borrower shall not discriminate against prospective tenants on the basis (a) of their receipt of, or eligibility for, housing assistance under any federal, State or local housing assistance program, (b) that they have a minor child or children who will be residing with them, or (c) of familial status.

2.9 All of the units described in Section 2.6 hereof shall be, after completion of the rehabilitation of the Project, and shall remain suitable for occupancy.

2.10 All of the units in the Project shall be leased only to tenants who are Lower-Income Families at the time of initial occupancy by such Lower-Income Families.

2.11 The Borrower shall include in leases for all units provisions which authorize the Borrower to immediately terminate the tenancy of any tenant who misrepresented any fact material to the tenant's qualification as a Lower-Income Family.

2.12 All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. If the Borrower employs a management agent for the Project, the Borrower shall require such agent to comply with the requirements of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project. The Borrower shall permit and shall cause any such management agent to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Borrower or such agent regarding the Project with respect to the incomes of Lower-Income Families residing as tenants in the Project which pertain to compliance with the provisions of this Regulatory Agreement.

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2.13 All tenant leases shall be written, shall be for a period of not less than six months, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, as the same has been or may be amended, and shall contain clauses, *inter alia*, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Computation Certificate and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Borrower, the City or HUD, and that the failure to provide accurate information in the Income Computation Certificate or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.14 The Borrower shall obtain and maintain on file during the Project Term a sworn and notarized Income Computation Certificate with respect to each and every person, group of unrelated persons or family who is intended to be a tenant in the Project, signed by the tenant or tenants (i.e., the person or persons whose name or names appear on the lease) and obtained by the Borrower (a) prior to such tenant or tenants occupying the unit or signing a lease with respect thereto, and (b) thereafter at least annually so long as such person or persons remain as tenants in the Project.

2.15 The Borrower agrees that it will take any and all actions required by the City to substantiate the Borrower's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City at the beginning of the Project Term and, on or before the first day of January of each year during the Project Term, a Certificate of Continuing Program Compliance executed by the Borrower.

2.16 The Borrower shall notify the City of the occurrence of any event of which the Borrower has notice and which event would violate any of the provisions of this Regulatory Agreement.

2.17 The Project shall remain in private ownership and in primarily residential rental use (i.e., at least 51% of the rentable floor space of the Project will be used for residential rental purposes after rehabilitation) unless the Project is sold to another private owner who agrees to continue to manage the Project in accordance with the requirements of the Rental Program for the remainder of the Project Term, or a hardship exception is approved by the City for reasons that occur after the Completion Date.

2.18 The Borrower shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 et seq. of the Municipal Code of the City, as supplemented and amended from time to time.

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2.19 For every unit in the Project which is not rented to a Lower-Income Family with housing assistance provided by a Public Housing Agency (as defined in 24 C.F.R. §511.2), the Borrower shall:

- (a) notify DOH and the Chicago Housing Authority that such units will be available at least one month prior to the date such unit may be occupied;
- (b) contact churches, community groups and other appropriate agencies selected by DOH regarding the availability of such units in the Project;
- (c) note the racial/ethnic and gender characteristics of all applicants who actually look at such units and when a lease for any such unit is signed, the Borrower shall telephone the DOH staff and report such characteristics for all applicants as well as for the actual renters;
- (d) advertise in newspapers if the above-described outreach efforts fail to produce a tenant for any such unit; and
- (e) maintain records of affirmative marketing efforts with respect to the leasing or re-leasing of each such unit for a period of 18 months commencing on the date such efforts with respect to such leasing or re-leasing begin.

2.20 Within 90 days following the Completion Date, the Borrower shall provide to the City a tenant profile for each unit then leased in the Project. Thereafter, Borrower shall provide to the City a tenant profile for each unit first being leased or otherwise being re-leased following the Completion Date, each such tenant profile to be so delivered within 60 days following such leasing or re-leasing of a unit. Each tenant profile shall include, without limitation, data on the racial, ethnic, gender and income-level characteristics of the tenants occupying a given unit.

2.21 The Borrower hereby acknowledges and affirms that it has reviewed the provisions of, and that the Project shall during the Project Term be in compliance with, each of the following: (a) the requirements of the Fair Housing Act, 42 U.S.C. §3601 et seq., as amended, and implementing regulations at 24 C.F.R. Parts 100, 106 and 109; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. §2000d, as amended, and implementing regulations at 24 C.F.R. Part 1; (b) the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §6101 et seq., as amended, and the implementing regulations at 24 C.F.R. Part 146; (c) the prohibitions against discrimination on the basis of handicap under

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Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, as amended, and implementing regulations at 24 C.F.R. Part 8; (d) the requirements of Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under such Order at 41 C.F.R. Chapter 60; and (e) the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u, as amended, and implementing regulations at 24 C.F.R. Part 135.

2.22 The rehabilitation of the Project shall not cause the displacement of any Very Low Income Family by a Family that is not a Very Low Income Family.

2.23 There are currently no persons occupying the Project and there will be no persons occupying the Project before the Completion Date.

2.24 All interior and exterior painted surfaces of each unit in the Project shall be treated in accordance with 24 C.F.R. §35.24(b)(2) as the same may be amended and supplemented, and any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.25 The Borrower has not and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

2.26 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained in any document submitted by the Borrower to the City in connection with the Project remain true and in effect as of the date hereof.

**SECTION 3 RELIANCE.**

The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein made by the City and the Borrower, respectively, may be relied upon by the Borrower and City, respectively. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and Lower-Income Families and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion. The City and the Borrower agree that it is the Borrower's responsibility to determine that each potential tenant in the Project qualifies as a Lower-Income Family, and that in making such determinations, the Borrower shall exercise due diligence.

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**SECTION 4 SALE OR TRANSFER OF THE PROJECT.**

The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including without limitation, a transfer by assignment of any beneficial interest under a land trust), or to violate any provision of the Mortgage relating to prohibitions on sales or transfers of the Project or any interest therein (whether or not the Mortgage remains of record), at any time during the Project Term, except as expressly permitted by the City (provided that such prohibition against sale, transfer, or disposition of the Project shall not apply and no such permission by the City shall be required, at any time following the later to occur of (i) the fifteenth (15th) annual anniversary of the effective date hereof, or (ii) the date when the Loan and all other indebtedness outstanding to the City in connection with the Project has been repaid to the City in full). The Borrower hereby agrees and covenants that no portion of any building to which this Regulatory Agreement applies shall be transferred to any Person unless all of such building is transferred to such Person. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 4 shall be null, void and without effect, shall cause a reversion of title to the Borrower or any successor or assignee of the Borrower last permitted by the City, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

**SECTION 5 TERM.**

5.1 This Regulatory Agreement shall become effective upon its execution and delivery. This Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

5.2 (a) Subject to paragraph (b) of this Section, the covenants and restrictions contained herein shall cease, upon any of the following events:

(1) (i) upon the transfer of the Project pursuant to the foreclosure of the Senior Mortgage or the transfer of the Project by an instrument in lieu of foreclosure of the Senior Mortgage, or (ii) if and only if the City so elects, upon the transfer of the Project pursuant to the foreclosure of the Mortgage or the transfer of the Project by an instrument in lieu of foreclosure of the Mortgage; or

(2) the date of repayment in full of the Loan.

(b) Notwithstanding paragraph (a) of this Section or any other provision herein to the contrary, the covenants and restrictions contained in Sections 2.7, 2.8, 3.17, 2.19 and 2.21

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hereof shall not cease prior to the tenth anniversary of the Completion Date.

**SECTION 6 ENFORCEMENT.**

6.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 50 days or more, the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Borrower of its obligations hereunder. 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 provisions hereof or to obtain relief against or recovery for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

6.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 6 shall be the sole responsibility of the Borrower.

6.3 To the extent permitted by law, all individuals who are or may qualify as Lower-Income Families with respect to the Project (whether as prospective, present or former tenants of the Project) shall have the right to enforce in any court of the State the requirement of Section 2.9 hereof.

6.4 The Borrower further specifically acknowledges that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach or violation or attempted breach or violation of any of the foregoing representations or covenants.

**SECTION 7 RECORDING AND FILING.**

The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Borrower shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record.

**SECTION 8 COVENANTS TO RUN WITH THE LAND.**

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express

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intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another Person in order that such transferee has notice of, and is bound by, such restrictions, and to obtain from any transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided however, that each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. In the event that such covenants, reservations and restrictions terminate pursuant to the provisions of § 5.2 hereof, the City upon such determination and upon written notice from the Borrower, the Senior Lender or the Illinois Housing Development Authority, shall promptly record a release of this Regulatory Agreement, at the expense of the party requesting such release.

#### **SECTION 9 GOVERNING LAW.**

This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State and, where applicable, the laws of the United States of America.

#### **SECTION 10 AMENDMENTS.**

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located.

#### **SECTION 11 NOTICE.**

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified, first class mail, return receipt requested.

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**IF TO CITY:**

City of Chicago, Illinois  
 c/o Department of Housing  
 318 South Michigan Avenue  
 Chicago, Illinois 60604  
 Attention: Commissioner

**WITH COPIES TO:**

Department of Finance  
 City of Chicago  
 121 North LaSalle Street, Room 501  
 Chicago, Illinois 60602  
 Attention: Comptroller

and

Office of the Corporation Counsel  
 City Hall, Room 511  
 Chicago, Illinois 60602  
 Attention: Finance and Economic  
 Development Division

**IF TO BORROWER:**

SSG Limited Partnership  
 c/o Reznar Corporation  
 853 North Elston Avenue  
 Chicago, Illinois 60622  
 Attention: President

**WITH COPIES TO:**

Kack Mahin & Cate  
 77 West Wacker Drive  
 Suite 4900  
 Chicago, Illinois 60601  
 Attention: Thomas J. McNulty

and

Chicago Equity Fund 1992  
 Partnership  
 c/o Chicago Equity Fund, Inc.  
 24 West Erie Street  
 Chicago, Illinois 60610  
 Attention: President

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Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the business day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

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**SECTION 12 SEVERABILITY.**

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

**SECTION 13 COUNTERPARTS.**

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

**SECTION 14 AFFIRMATIVE MARKETING.**

- (a) DOH shall maintain on-going contacts with local churches, community organizations, employment centers, fair housing groups and other organizations which, in the sole judgment of DOH, may be useful in marketing the units in the Project. DOH shall also notify the Chicago Housing Authority as necessary for referrals from their waiting list.
- (b) DOH shall keep the following records:
- (1) copies of all advertisements placed by DOH or the Borrower;
  - (2) copies of all information included in information packets to the public regarding affirmative marketing policies and procedures and fair housing laws;
  - (3) copies of all correspondence to the Borrower, tenants, community groups, etc., regarding affirmative marketing and fair housing laws;
  - (4) tenant profiles including racial, ethnic and general characteristics of the Lower-Income Families before and after rehabilitation of the Project;
  - (5) annual tenant information used in assessment of the Rental Program; and
  - (6) relocation data for households displaced from the Project.

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IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By: [Signature]

Name: HUGH MURPHY

Title: FIRST DEPUTY COMMISSIONER

SSG LIMITED PARTNERSHIP, an Illinois limited partnership

By: NEZMAR CORPORATION, an Illinois corporation and its sole general partner

By: [Signature]

Name: DAVID B BRINT

Title: VICE PRESIDENT

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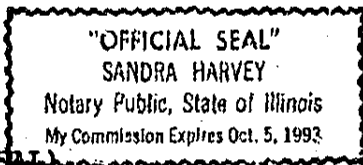
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STATE OF ILLINOIS )  
 ) SS.  
 COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that David B. Brent, personally known to me to be the Vice President, of Rezmar Corporation (the "General Partner"), an Illinois corporation and sole general partner of SSG Limited Partnership (the "Borrower"), an Illinois limited partnership, and 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 as such Vice President, he/she signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 25th day of September 1992.



Sandra Harvey  
 Notary Public

My Commission Expires:

Oct 5, 1993

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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, DO HEREBY CERTIFY THAT Hugh Murphy, personally known to me to be the First Deputy Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") 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 as such s/he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as The free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25th day of September, 1992.

*Peter Levine*

Notary Public

My Commission Expires:

(SEAL)

.....  
 "OFFICIAL SEAL"  
 PETER LEVINE  
 NOTARY PUBLIC, STATE OF ILLINOIS  
 My Commission Expires Nov. 25, 1995  
 .....

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**EXHIBIT  
SCHEDULE A**

File: 206929C

**LEGAL DESCRIPTION****PARCEL 1:**

\*\*\*LOT 3 IN WILLIAM D. EWART'S SUBDIVISION OF LOTS 10, 11, 12 AND 13 INCLUDING THE VACATED ALLEY LYING WEST AND SOUTH OF SAID LOT 13 (EXCEPT THE EAST 16 FEET OF LOT 13 DEDICATED FOR ALLEY) OF BLISS AND WAITE'S SUBDIVISION OF THAT PART LYING WEST OF HYDE PARK AVENUE OF THE NORTH HALF OF BLOCK 4 IN THE SUBDIVISION OF E. K. HUBBARD'S EXECUTORS OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

LOTS 15 AND 16 IN MEDILL'S SUBDIVISION OF THE SOUTH HALF OF BLOCK 4 (EXCEPT THE NORTH 16.5 FEET THEREOF) IN A SUBDIVISION BY EXECUTORS OF E. K. HUBBARD OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.\*\*\*

PERMANENT REAL ESTATE INDEX NO. 20-02-309-007 - Vol. 250  
Affects: Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-02-309-008 - Vol. 250  
Affects: Part of Lot 16 of Parcel 2

PERMANENT REAL ESTATE INDEX NO. 20-02-309-009 - Vol. 250  
Affects: Lot 15 and part of Lot 16 of Parcel 2

Re: 4433 S. Greenwood, Chicago

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**EXHIBIT B****CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

The undersigned, being \_\_\_\_\_ (the "Borrower"), has read and is thoroughly familiar with the provisions of the various loan documents associated with the loan by the City of Chicago, Illinois (the "City") to the Borrower in connection with the property located at 4433-4437 South Greenwood Avenue, Chicago, Illinois 60653 (the "Project"), such documents including:

1. The Regulatory Agreement (the "Regulatory Agreement") dated as of \_\_\_\_\_, \_\_\_\_\_ between the Borrower and the City;
2. The Housing Loan Agreement (the "Loan Agreement") dated as of \_\_\_\_\_, \_\_\_\_\_ between the Borrower and the City; and
3. The Note in the principal amount of \$ \_\_\_\_\_ dated as of \_\_\_\_\_, \_\_\_\_\_ made by the Borrower to the order of the City representing the Borrower's obligation to repay the loan made to it by the City pursuant to the Loan Agreement.

As of the date of this certificate, the following number of completed residential units in the Project (i) are occupied by "Lower-Income Families" (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Lower-Income Families and have been vacant for no more than 31 days, as indicated:

Occupied by Lower-Income Families _____	No. of Units _____
Previously occupied by Lower-Income Families (vacated and not re-occupied except for a temporary period of no more than 31 days) _____	No. of Units _____
_____	total _____

The total number of completed residential units in the Project is \_\_\_\_\_.

The total number of units occupied or previously occupied by Lower-Income Families as shown above is \_\_\_\_\_% of the total number of occupied units.

The undersigned hereby certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Borrower  
Representative

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## EXHIBIT C

### INCOME COMPUTATION CERTIFICATE

RE:

Chicago, Illinois \_\_\_\_\_

Name of Tenant (i.e., person(s) whose name appears on the lease): \_\_\_\_\_

Address of Apartment: \_\_\_\_\_

Apartment Number: \_\_\_\_\_

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Income Computation Certificate at the time you sign your lease and annually thereafter so long as you remain a tenant in the above apartment development.

#### CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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County Clerk's Office

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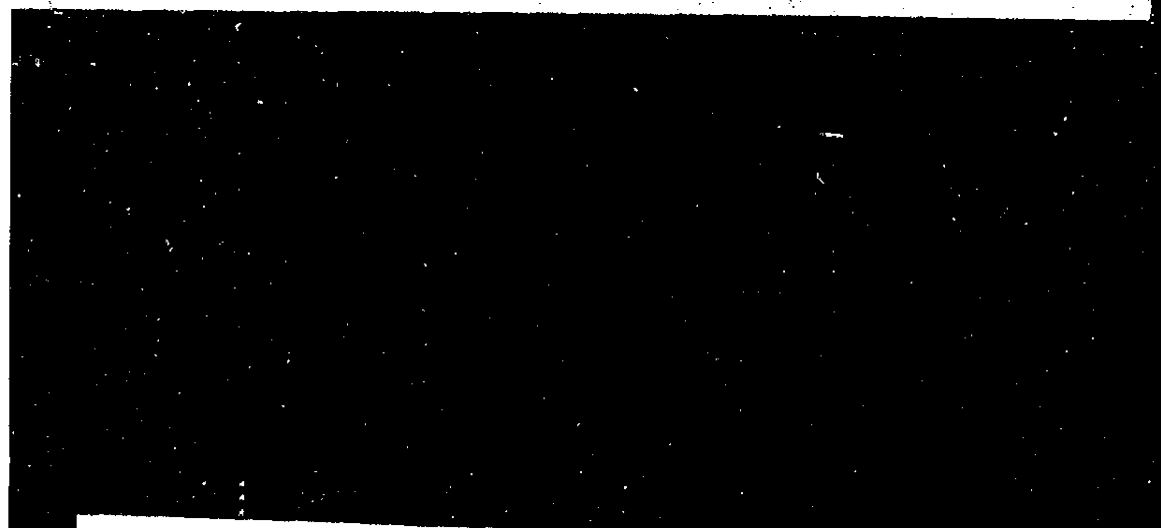
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### Income Computation (Anticipated Incomes)

Name of Members of the Household	Relation-ship to Head of Household	Age (if 18 or under)	Social Security Number	Place of Employment
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____

- On the lines below, indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 during the 12-month period beginning this date, including:
  - Annual Wages and Salary, including, before payroll deduction, all wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services;

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**B. Other Income, including but not limited to:**

- (i) net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (ii) interest, dividends and net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (B)(i) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- (iii) 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 a lump-sum payment for the delayed start of a periodic payment;
- (iv) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (v) public assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance to be included as income shall consist of: (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the public assistance agency could in fact allow the family for shelter and utilities. If the family's public assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage;

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- (vi) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling;
- (vii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is a member of the family; and
- (viii) any earned income tax credit to the extent it exceeds income tax liability.

Please note however, the following types of income should be excluded:

- (i) income from employment of children (including foster children) under the age of 18 years;
- (ii) casual, sporadic or irregular income, including gifts;
- (iii) amounts which are specifically for or in reimbursement of medical expenses for any family member;
- (iv) 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;
- (v) 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, but in either case only to the extent used for such purposes;
- (vi) special pay to a family member serving in the Armed Forces and exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aide;
- (ix) amounts received under training programs funded by HUD;
- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of

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Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;

(xi) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program; and

(xii) amounts specifically excluded by other federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. Federal programs under this section include, but are not limited to:

- (a) the value of the allotment made under the Food Stamp Act of 1977;
- (b) payments received under the Domestic Volunteer Services Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, Senior Companions);
- (c) payments received under the Alaska Native Claims Settlement Act;
- (d) payments from certain submarginal U.S. land held in trust for certain Indian tribes;
- (e) payments, rebates or credits received under the U.S. Department of Health and Human Services' Low-Income Home Energy Assistance Programs, including any winter differentials given to elderly;
- (f) payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs);
- (g) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970;

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- (h) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (i) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior;
- (j) amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution;
- (k) payments received from programs funded under Title V of the Older Americans Act of 1965; and
- (l) Agent Orange Settlement Payments to a maximum of \$12,790 per serviceperson or a survivor's benefit of up to \$3,400.

Name	Annual Wages/Salary	Other Income	Total Income
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## (Capital Assets)

2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:
- a. the total value of all such assets owned by all such persons: \$ \_\_\_\_\_



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b. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ \_\_\_\_\_, and

c. the amount of such income which is included in item (1): \$ \_\_\_\_\_.

(Students)

3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes \_\_\_\_\_ No \_\_\_\_\_

b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes \_\_\_\_\_ No \_\_\_\_\_

I acknowledge that all of the above information is relevant to the status of the funds provided through the U.S. Department of Housing and Urban Development to finance rehabilitation of the apartment for which application is being made. I consent to the disclosure of such information to the City and HUD and any agent acting on their behalf.

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

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at Chicago, Illinois.

\_\_\_\_\_  
Tenant  
Residing in Apt. No. \_\_\_\_\_

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STATE OF ILLINOIS )  
                          ) SS  
COUNTY OF COOK     )

On the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ personally  
appeared before me \_\_\_\_\_, the signer of  
the above certification, who duly acknowledged to me that he/she  
executed the same.

(SEAL)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:  
\_\_\_\_\_

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**FOR COMPLETION BY BORROWER ONLY:****1. Calculation of eligible income:**

a. Total amount entered for entire household in 1 above: \_\_\_\_\_

b. If the amount entered in 2.a above exceeds \$5,000, enter the greater of (i) the amount entered in 2.b less the amount entered in 2.c and (ii) the passbook savings rate as designated by HUD multiplied by the amount entered in 2.a: \_\_\_\_\_

c. **TOTAL ELIGIBLE INCOME**  
(Line 1.a plus line 1.b): \_\_\_\_\_

**2. The amount entered in 1.c is: (place "x" on appropriate line)**

\_\_\_\_\_ Less than \$ \_\_\_\_\_ which is the maximum income at which a household of \_\_\_\_\_ persons may be determined to be a Lower-Income Family as that term is defined in the Regulatory Agreement dated as of \_\_\_\_\_, between the City of Chicago, Illinois and \_\_\_\_\_ (the "Regulatory Agreement").

\_\_\_\_\_ More than the above-mentioned amount.

3. Number of apartment unit assigned: \_\_\_\_\_

4. This apartment unit (was/was not) last occupied for a period of 31 consecutive days by a person or persons whose Total Eligible Income, as certified in the above manner, was equal to or less than the amount at which a person would have qualified as a Lower-Income Family under the terms of the Regulatory Agreement. It had been vacant for \_\_\_\_\_ days.

5. The number of units in the Project which are presently occupied is \_\_\_\_\_.

6. The number of units occupied by Lower-Income Families (i.e., occupants' anticipated income does not exceed \$ \_\_\_\_\_ based upon Income Computation Certifications on file, as adjusted for family and unit size) is \_\_\_\_\_. The number of units which were previously occupied by Lower-Income Families but have been vacated and have not been re-occupied (other than for a temporary period of no more than 31 days) is \_\_\_\_\_. The sum of the units described in this paragraph 6 is equal to \_\_\_\_\_% of the total number of occupied units from paragraph 5 above.

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- 7. The number of units occupied by persons whose total anticipated income does not exceed \$ \_\_\_\_\_ (as adjusted for family and unit size) is \_\_\_\_\_ which is equal to \_\_\_\_\_ % of the total number of occupied units.

Applicant:

\_\_\_\_\_

Qualifies as a Lower-Income Family.

\_\_\_\_\_

Does not qualify as a Lower-Income Family.

\_\_\_\_\_  
BORROWER

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I have read the above and certify that the same is a true and correct copy of the original as the same appears in the records of the County Clerk's Office.

Witness my hand and the seal of said office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
 County Clerk

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Official Minutes  
City of Chicago  
No. 2  
James F. McDaniel  
Deputy Corp Counsel

(2)

4433 S Greenwood

[9/24/92]

This document prepared by  
and when recorded return to:  
Angela Vosnos  
Office of Corporation Counsel  
Room 511  
121 North LaSalle Street  
Chicago, Illinois 60602

[Rental Rehab]

REGULATORY AGREEMENT

92715962

THIS REGULATORY AGREEMENT entered into and effective as of this 5th day of September, 1992 (this "Regulatory Agreement"), by and between the City of Chicago, Illinois (the "City"), an Illinois municipal corporation, by and through its Department of Housing ("DOH"), with offices at 318 South Michigan Avenue, Chicago, Illinois 60604, and SSG Limited Partnership, an Illinois limited partnership (the "Borrower"), having its offices at 853 North Elston Avenue, Chicago, Illinois 60622.

DEPT-09 MISC. \$3.00  
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\$3489 \* -92-7 15962  
COOK COUNTY RECORDER

WITNESSETH

WHEREAS, DOH is an executive department of the City established pursuant to Title 2 of the Municipal Code of the City, Chapter 2-44, Section 2-44-010, which supervises and coordinates the formulation and execution of projects and programs creating safe, decent and affordable housing for residents of the City; and

WHEREAS, the City has received an allocation of \$3,124,760 of Rental Rehabilitation Program ("Rental Program") grant funds, Program Year VI pursuant to Section 301 of the Housing and Urban Rural Recovery Act of 1983, which program provides for federal grants to local governments to help finance rehabilitation of privately owned residential structures devoted primarily to rental use and which units are eligible for rent subsidy programs so as to increase their accessibility to low- and moderate-income persons; and

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WHEREAS, the City intends to loan \$345,000 of Rental Program funds (hereinafter referred to as the "Loan") to the Borrower for the purposes set forth below, and has requested that DOH administer the Loan; and

WHEREAS, the Borrower will utilize the Loan proceeds to rehabilitate the building located at 4433-4437 South Greenwood Avenue, Chicago, Illinois 60653 into 48 multi-family residential dwelling units (the "Project"), wherein two-, three- and four-bedroom units shall be occupied by individuals, groups of unrelated persons or families qualifying as Lower-Income Families (as hereinafter defined); and

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Box 430

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WHEREAS, as a specific condition precedent to the Borrower receiving the Loan, the Borrower has agreed to execute this Regulatory Agreement with the City governing the use of the Project;

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

**SECTION 1 DEFINITIONS AND INTERPRETATIONS.**

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"Borrower" shall mean, initially, SSG Limited Partnership, an Illinois limited partnership, and at any subsequent time of reference, the person or persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"Certificate of Continuing Program Compliance" shall mean the certificate from the Borrower in substantially the form set forth in Exhibit B attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"City" shall mean the City of Chicago, Illinois, an Illinois municipal corporation, and its successors and assigns.

"Completion Date" shall mean the date as of which the necessary rehabilitation work has been performed and the Project in HUD's judgment complies with the requirements of 24 C.F.R. Part 511 (including meeting the Section 8 Housing Quality Standards for Existing Housing set forth in 24 C.F.R. §882.109), and as of which the final disbursement of Loan proceeds derived from Rental Program funds for the Project shall have been made.

"DOH" shall mean the Department of Housing of the City, and any successor to said Department.

"Family" shall have the meaning assigned to such term in 24 C.F.R. §812.2.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Income Computation Certificate" shall mean the certificate in substantially the form set forth in Exhibit C attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Income Limit" shall mean 80% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.



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"Loan" shall mean a loan by the City to the Borrower in the principal amount of \$345,000 for financing a portion of the cost of the Project.

"Loan Agreement" shall mean the Housing Loan Agreement, dated as of even date herewith, between the City and the Borrower with respect to the Loan, as hereafter amended, supplemented and restated from time to time.

"Lower-Income Families" shall mean and include individuals, groups of unrelated individuals or families whose adjusted annual income does not exceed the Income Limit.

"Mortgage" shall mean that certain Junior Mortgage and Security Agreement dated as of even date herewith from the Borrower to the City, as hereafter supplemented, amended and restated from time to time.

"Multi-Unit Program" shall mean the Housing Rehabilitation Program of DOH.

"Persons" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project" shall mean the low-income housing development erected or to be erected on real property located within the City and legally described on Exhibit A hereto.

"Project Term" shall mean the number of years during which the 48 units specified as to be occupied by Lower-Income Families must be occupied by or available for occupancy as provided in Section 2.10 hereof. The Project Term shall begin on the date hereof and shall continue for a period of 42 years, except as provided in Section 5.2 hereof.

"Regulatory Agreement" shall mean this Regulatory Agreement, as hereafter supplemented, amended and restated from time to time.

"Rental Program" shall mean the Rental Rehabilitation Program created under the RRP Act.

"RRP Act" shall mean Section 17 of the United States Housing Act of 1937, 42 U.S.C. §1437o et seq., as amended.

"RRP Funds" shall mean the Rental Rehabilitation Program funds awarded by HUD under the RRP Act.

"Senior Lender" shall mean Harris Trust and Savings Bank, located at 111 West Monroe Street, Chicago, Illinois, and its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$865,000 for financing a portion of the cost of the Project.



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"Senior Mortgage" shall mean that certain Construction Mortgage, Security Agreement and Financing Statement dated as of September 25, 1972 granted by the Borrower to the Senior Lender securing repayment of the Senior Loan.

"State" shall mean the State of Illinois.

"Unit" shall have the meaning given to such term in Section 2.12(b) hereof.

"Very Low Income Family" shall mean any Family whose adjusted annual income does not exceed the Very Low Income Limit.

"Very Low Income Limit" shall mean 50% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings given such terms in the Loan Agreement.

**SECTION 2 BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

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The Borrower hereby represents, warrants, covenants and agrees as follows:

2.1 The Project shall be acquired, constructed and rehabilitated for the purpose of providing residential rental property, and the Borrower shall own, manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.2 The Project shall consist of residential units, together with facilities functionally related and incidental thereto, and which units are similar in quality and type of construction and amenities.

2.3 Each unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

2.4 None of the units in the Project shall at any time be used on a transient basis, and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

2.5 The units in the Project shall be made available for lease by members of the general public and the Borrower shall not give preference in renting units in the Project to any particular class or group of individuals other than Lower-Income Families as provided herein. No preference in tenant selection for the

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Project will be given to elderly or handicapped individuals or families.

2.6 The Project shall consist of the following unit configuration for Lower-Income Family households:

<u>Number of Bedrooms</u>	<u>Number of Units</u>
Two-Bedroom	28
Three-Bedroom	16
Four-Bedroom	4

2.7 The Borrower shall not convert any units in the Project to condominium ownership or to any form of cooperative ownership that is not eligible to receive RRP Funds from HUD.

2.8 The Borrower shall not discriminate against prospective tenants on the basis (a) of their receipt of, or eligibility for, housing assistance under any federal, State or local housing assistance program, (b) that they have a minor child or children who will be residing with them, or (c) of familial status.

2.9 All of the units described in Section 2.6 hereof shall be, after completion of the rehabilitation of the Project, and shall remain suitable for occupancy.

2.10 All of the units in the Project shall be leased only to tenants who are Lower-Income Families at the time of initial occupancy by such Lower-Income Families.

2.11 The Borrower shall include in leases for all units provisions which authorize the Borrower to immediately terminate the tenancy of any tenant who misrepresented any fact material to the tenant's qualification as a Lower-Income Family.

2.12 All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. If the Borrower employs a management agent for the Project, the Borrower shall require such agent to comply with the requirements of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project. The Borrower shall permit and shall cause any such management agent to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Borrower or such agent regarding the Project with respect to the incomes of Lower-Income Families residing as tenants in the Project which pertain to compliance with the provisions of this Regulatory Agreement.

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2.13 All tenant leases shall be written, shall be for a period of not less than six months, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, as the same has been or may be amended, and shall contain clauses, *inter alia*, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Computation Certificate and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Borrower, the City or HUD, and that the failure to provide accurate information in the Income Computation Certificate or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.14 The Borrower shall obtain and maintain on file during the Project Term a sworn and notarized Income Computation Certificate with respect to each and every person, group of unrelated persons or family who is intended to be a tenant in the Project, signed by the tenant or tenants (i.e., the person or persons whose name or names appear on the lease) and obtained by the Borrower (a) prior to such tenant or tenants occupying the unit or signing a lease with respect thereto, and (b) thereafter at least annually so long as such person or persons remain as tenants in the Project.

2.15 The Borrower agrees that it will take any and all actions required by the City to substantiate the Borrower's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City at the beginning of the Project Term and, on or before the first day of January of each year during the Project Term, a Certificate of Continuing Program Compliance executed by the Borrower.

2.16 The Borrower shall notify the City of the occurrence of any event of which the Borrower has notice and which event would violate any of the provisions of this Regulatory Agreement.

2.17 The Project shall remain in private ownership and in primarily residential rental use (i.e., at least 51% of the rentable floor space of the Project will be used for residential rental purposes after rehabilitation) unless the Project is sold to another private owner who agrees to continue to manage the Project in accordance with the requirements of the Rental Program for the remainder of the Project Term, or a hardship exception is approved by the City for reasons that occur after the Completion Date.

2.18 The Borrower shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 et seq. of the Municipal Code of the City, as supplemented and amended from time to time.

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2.19 For every unit in the Project which is not rented to a Lower-Income Family with housing assistance provided by a Public Housing Agency (as defined in 24 C.F.R. §511.2), the Borrower shall:

- (a) notify DOH and the Chicago Housing Authority that such units will be available at least one month prior to the date such unit may be occupied;
- (b) contact churches, community groups and other appropriate agencies selected by DOH regarding the availability of such units in the Project;
- (c) note the racial/ethnic and gender characteristics of all applicants who actually look at such units and when a lease for any such unit is signed, the Borrower shall telephone the DOH staff and report such characteristics for all applicants as well as for the actual renters;
- (d) advertise in newspapers if the above-described outreach efforts fail to produce a tenant for any such unit; and
- (e) maintain records of affirmative marketing efforts with respect to the leasing or re-leasing of each such unit for a period of 18 months commencing on the date such efforts with respect to such leasing or re-leasing begin.

2.20 Within 90 days following the Completion Date, the Borrower shall provide to the City a tenant profile for each unit then leased in the Project. Thereafter, Borrower shall provide to the City a tenant profile for each unit first being leased or otherwise being re-leased following the Completion Date, each such tenant profile to be so delivered within 60 days following such leasing or re-leasing of a unit. Each tenant profile shall include, without limitation, data on the racial, ethnic, gender and income-level characteristics of the tenants occupying a given unit.

2.21 The Borrower hereby acknowledges and affirms that it has reviewed the provisions of, and that the Project shall during the Project Term be in compliance with, each of the following: (a) the requirements of the Fair Housing Act, 42 U.S.C. §3601 et seq., as amended, and implementing regulations at 24 C.F.R. Parts 100, 106 and 109; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. §2000d, as amended, and implementing regulations at 24 C.F.R. Part 1; (b) the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §6101 et seq., as amended, and the implementing regulations at 24 C.F.R. Part 146; (c) the prohibitions against discrimination on the basis of handicap under

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Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, as amended, and implementing regulations at 24 C.F.R. Part 8; (d) the requirements of Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under such Order at 41 C.F.R. Chapter 60; and (e) the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u, as amended, and implementing regulations at 24 C.F.R. Part 135.

2.22 The rehabilitation of the Project shall not cause the displacement of any Very Low Income Family by a Family that is not a Very Low Income Family.

2.23 There are currently no persons occupying the Project and there will be no persons occupying the Project before the Completion Date.

2.24 All interior and exterior painted surfaces of each unit in the Project shall be treated in accordance with 24 C.F.R. §35.24(b)(2) as the same may be amended and supplemented, and any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.25 The Borrower has not and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

2.26 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained in any document submitted by the Borrower to the City in connection with the Project remain true and in effect as of the date hereof.

**SECTION 3 RELIANCE.**

The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein made by the City and the Borrower, respectively, may be relied upon by the Borrower and City, respectively. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and Lower-Income Families and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion. The City and the Borrower agree that it is the Borrower's responsibility to determine that each potential tenant in the Project qualifies as a Lower-Income Family, and that in making such determinations, the Borrower shall exercise due diligence.



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**SECTION 4 SALE OR TRANSFER OF THE PROJECT.**

The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including without limitation, a transfer by assignment of any beneficial interest under a land trust), or to violate any provision of the Mortgage relating to prohibitions on sales or transfers of the Project or any interest therein (whether or not the Mortgage remains of record), at any time during the Project Term, except as expressly permitted by the City (provided that such prohibition against sale, transfer, or disposition of the Project shall not apply and no such permission by the City shall be required, at any time following the later to occur of (i) the fifteenth (15th) annual anniversary of the effective date hereof, or (ii) the date when the Loan and all other indebtedness outstanding to the City in connection with the Project has been repaid to the City in full). The Borrower hereby agrees and covenants that no portion of any building to which this Regulatory Agreement applies shall be transferred to any Person unless all of such building is transferred to such Person. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 4 shall be null, void and without effect, shall cause a reversion of title to the Borrower or any successor or assignee of the Borrower last permitted by the City, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

**SECTION 5 TERM.**

5.1 This Regulatory Agreement shall become effective upon its execution and delivery. This Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

5.2 (a) Subject to paragraph (b) of this Section, the covenants and restrictions contained herein shall cease, upon any of the following events:

(1) (i) upon the transfer of the Project pursuant to the foreclosure of the Senior Mortgage or the transfer of the Project by an instrument in lieu of foreclosure of the Senior Mortgage, or (ii) if and only if the City so elects, upon the transfer of the Project pursuant to the foreclosure of the Mortgage or the transfer of the Project by an instrument in lieu of foreclosure of the Mortgage; or

(2) the date of repayment in full of the Loan.

(b) Notwithstanding paragraph (a) of this Section or any other provision herein to the contrary, the covenants and restrictions contained in Sections 2.7, 2.8, 3.17, 2.19 and 2.21

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hereof shall not cease prior to the tenth anniversary of the Completion Date.

**SECTION 6 ENFORCEMENT.**

6.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 60 days or more, the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Borrower of its obligations hereunder. 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 provisions hereof or to obtain relief against or recovery for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

6.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 6 shall be the sole responsibility of the Borrower.

6.3 To the extent permitted by law, all individuals who are or may qualify as Lower-Income Families with respect to the Project (whether as prospective, present or former tenants of the Project) shall have the right to enforce in any court of the State the requirement of Section 2.9 hereof.

6.4 The Borrower further specifically acknowledges that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach or violation or attempted breach or violation of any of the foregoing representations or covenants.

**SECTION 7 RECORDING AND FILING.**

The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Borrower shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record.

**SECTION 8 COVENANTS TO RUN WITH THE LAND.**

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express

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intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another Person in order that such transferee has notice of, and is bound by, such restrictions, and to obtain from any transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided however, that each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. In the event that such covenants, reservations and restrictions terminate pursuant to the provisions of § 5.2 hereof, the City upon such determination and upon written notice from the Borrower, the Senior Lender or the Illinois Housing Development Authority, shall promptly record a release of this Regulatory Agreement, at the expense of the party requesting such release.

**SECTION 9 GOVERNING LAW.**

This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State and, where applicable, the laws of the United States of America.

**SECTION 10 AMENDMENTS.**

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located.

**SECTION 11 NOTICE.**

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified, first class mail, return receipt requested.



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**IF TO CITY:**

City of Chicago, Illinois  
 c/o Department of Housing  
 318 South Michigan Avenue  
 Chicago, Illinois 60604  
 Attention: Commissioner

**WITH COPIES TO:**

Department of Finance  
 City of Chicago  
 121 North LaSalle Street, Room 501  
 Chicago, Illinois 60602  
 Attention: Comptroller

and

Office of the Corporation Counsel  
 City Hall, Room 511  
 Chicago, Illinois 60602  
 Attention: Finance and Economic  
 Development Division

**IF TO BORROWER:**

SSG Limited Partnership  
 c/o Rezmar Corporation  
 853 North Elston Avenue  
 Chicago, Illinois 60622  
 Attention: President

**WITH COPIES TO:**

Beck Mahin & Cate  
 77 West Wacker Drive  
 Suite 1900  
 Chicago, Illinois 60601  
 Attention: Thomas J. McNulty

and

Chicago Equity Fund 1992  
 Partnership  
 c/o Chicago Equity Fund, Inc.  
 24 West Erie Street  
 Chicago, Illinois 60610  
 Attention: President

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Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the business day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

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**SECTION 12 SEVERABILITY.**

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

**SECTION 13 COUNTERPARTS.**

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

**SECTION 14 AFFIRMATIVE MARKETING.**

- (a) DOH shall maintain on-going contacts with local churches, community organizations, employment centers, fair housing groups and other organizations which, in the sole judgment of DOH, may be useful in marketing the units in the Project. DOH shall also notify the Chicago Housing Authority as necessary for referrals from their waiting list.
- (b) DOH shall keep the following records:
- (1) copies of all advertisements placed by DOH or the Borrower;
  - (2) copies of all information included in information packets to the public regarding affirmative marketing policies and procedures and fair housing laws;
  - (3) copies of all correspondence to the Borrower, tenants, community groups, etc., regarding affirmative marketing and fair housing laws;
  - (4) tenant profiles including racial, ethnic and general characteristics of the Lower-Income Families before and after rehabilitation of the Project;
  - (5) annual tenant information used in assessment of the Rental Program; and
  - (6) relocation data for households displaced from the Project.

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IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By: [Signature]

Name: HUGH MURPHY

Title: FIRST DEPUTY COMMISSIONER

SSG LIMITED PARTNERSHIP, an Illinois limited partnership

By: BEZMAR CORPORATION, an Illinois corporation and its sole general partner

By: [Signature]

Name: DAVID B BRUNT

Title: VICE PRESIDENT

ATV/580/REGULTY.AGR

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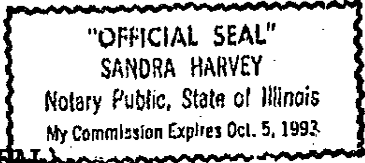
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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that [Signature], personally known to me to be the Vice President, of Rezmar Corporation (the "General Partner"), an Illinois corporation and sole general partner of SSG Limited Partnership (the "Borrower"), an Illinois limited partnership, and 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 as such [Signature] President, he/she signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 25th day of September, 1992.

[Signature]  
Notary Public



My Commission Expires:

Oct 5, 1993

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STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK        )

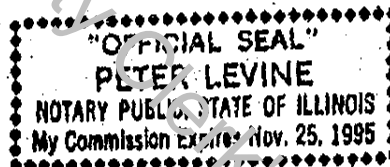
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Hugh Murphy, personally known to me to be the First Deputy Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 17th day in person and acknowledged that as such s/he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as The free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 17th day of September, 1992.

Peter Levine  
\_\_\_\_\_  
Notary Public

My Commission Expires:

(SEAL)



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EXHIBIT  
SCHEDULE A

File: 206929C

**LEGAL DESCRIPTION****PARCEL 1:**

\*\*\*LOT 3 IN WILLIAM D. EWART'S SUBDIVISION OF LOTS 10, 11, 12 AND 13 INCLUDING THE VACATED ALLEY LYING WEST AND SOUTH OF SAID LOT 13 (EXCEPT THE EAST 16 FEET OF LOT 13 DEDICATED FOR ALLEY) OF BLISS AND WAITE'S SUBDIVISION OF THAT PART LYING WEST OF HYDE PARK AVENUE OF THE NORTH HALF OF BLOCK 4 IN THE SUBDIVISION OF E. K. HUBBARD'S EXECUTORS OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

LOTS 15 AND 16 IN MERRILL'S SUBDIVISION OF THE SOUTH HALF OF BLOCK 4 (EXCEPT THE NORTH 16.5 FEET THEREOF) IN A SUBDIVISION BY EXECUTORS OF E. K. HUBBARD OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.\*\*\*

PERMANENT REAL ESTATE INDEX NO. 20-02-309-007 - Vol. 250  
Affects: Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-02-309-008 - Vol. 250  
Affects: Part of Lot 16 of Parcel 2

PERMANENT REAL ESTATE INDEX NO. 20-02-309-009 - Vol. 250  
Affects: Lot 15 and part of Lot 16 of Parcel 2

Re: 4433 S. Greenwood, Chicago

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**EXHIBIT B****CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

The undersigned, being \_\_\_\_\_ (the "Borrower"), has read and is thoroughly familiar with the provisions of the various loan documents associated with the loan by the City of Chicago, Illinois (the "City") to the Borrower in connection with the property located at 4433-4437 South Greenwood Avenue, Chicago, Illinois 60653 (the "Project"), such documents including:

1. The Regulatory Agreement (the "Regulatory Agreement") dated as of \_\_\_\_\_, \_\_\_\_\_ between the Borrower and the City;
2. The Housing Loan Agreement (the "Loan Agreement") dated as of \_\_\_\_\_, \_\_\_\_\_ between the Borrower and the City; and
3. The Note in the principal amount of \$ \_\_\_\_\_ dated as of \_\_\_\_\_, \_\_\_\_\_ made by the Borrower to the order of the City representing the Borrower's obligation to repay the loan made to it by the City pursuant to the Loan Agreement.

As of the date of this certificate, the following number of completed residential units in the Project (i) are occupied by "Lower-Income Families" (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Lower-Income Families and have been vacant for no more than 31 days, as indicated:

Occupied by Lower-Income Families _____	No. of Units _____
Previously occupied by Lower-Income Families (vacated and not re-occupied except for a temporary period of no more than 31 days) _____	No. of Units _____
_____	Total _____

The total number of completed residential units in the Project is \_\_\_\_\_.

The total number of units occupied or previously occupied by Lower-Income Families as shown above is \_\_\_\_\_% of the total number of occupied units.

The undersigned hereby certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Borrower  
Representative

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**EXHIBIT C****INCOME COMPUTATION CERTIFICATE**

RE:

Chicago, Illinois \_\_\_\_\_

Name of Tenant (i.e., person(s)  
whose name appears on the lease): \_\_\_\_\_

Address of Apartment: \_\_\_\_\_

Apartment Number: \_\_\_\_\_

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Income Computation Certificate at the time you sign your lease and annually thereafter so long as you remain a tenant in the above apartment development.

**CERTIFICATION**

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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## Income Computation (Anticipated Incomes)

Name of Members of the Household	Relation-ship to Head of Household	Age (if 18 or under)	Social Security Number	Place of Employment
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

1. On the lines below, indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 during the 12-month period beginning on this date, including:
  - A. Annual Wages and Salary, including, before payroll deduction, all wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services;

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**B. Other Income, including but not limited to:**

- (i) net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (ii) interest, dividends and net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (B)(i) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- (iii) 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 a lump-sum payment for the delayed start of a periodic payment;
- (iv) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (v) public assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance to be included as income shall consist of: (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the public assistance agency could in fact allow the family for shelter and utilities. If the family's public assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage;

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- (vi) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling;
- (vii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is a member of the family; and
- (viii) any earned income tax credit to the extent it exceeds income tax liability.

Please note however, the following types of income should be excluded:

- (i) income from employment of children (including foster children) under the age of 18 years;
- (ii) casual, sporadic or irregular income, including gifts;
- (iii) amounts which are specifically for or in reimbursement of medical expenses for any family member;
- (iv) 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;
- (v) 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, but in either case only to the extent used for such purposes;
- (vi) special pay to a family member serving in the Armed Forces and exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aide;
- (ix) amounts received under training programs funded by HUD;
- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of

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Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;

- (xi) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program; and
- (xii) amounts specifically excluded by other federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. Federal programs under this section include, but are not limited to:
- (a) the value of the allotment made under the Food Stamp Act of 1977;
  - (b) payments received under the Domestic Volunteer Services Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, Senior Companions);
  - (c) payments received under the Alaska Native Claims Settlement Act;
  - (d) payments from certain submarginal U.S. land held in trust for certain Indian tribes;
  - (e) payments, rebates or credits received under the U.S. Department of Health and Human Services' Low-Income Home Energy Assistance Programs, including any winter differentials given to elderly;
  - (f) payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs);
  - (g) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970;

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- (h) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (i) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior;
- (j) amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution;
- (k) payments received from programs funded under Title V of the Older Americans Act of 1965;
- (l) Agent Orange Settlement Payments to a maximum of \$12,790 per serviceperson or a survivor's benefit of up to \$3,400.

Name	Annual Wages/Salary	Other Income	Total Income
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**(Capital Assets)**

2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:

- a. the total value of all such assets owned by all such persons: \$ \_\_\_\_\_

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b. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ \_\_\_\_\_, and

c. the amount of such income which is included in item (1): \$ \_\_\_\_\_.

(Students)

3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes \_\_\_\_\_ No \_\_\_\_\_

b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes \_\_\_\_\_ No \_\_\_\_\_

I acknowledge that all of the above information is relevant to the status of the funds provided through the U.S. Department of Housing and Urban Development to finance rehabilitation of the apartment for which application is being made. I consent to the disclosure of such information to the City and HUD and any agent acting on their behalf.

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

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at Chicago, Illinois.

\_\_\_\_\_  
Tenant  
Residing in Apt. No. \_\_\_\_\_

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STATE OF ILLINOIS )  
                          ) SS  
COUNTY OF COOK    )

On the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ personally  
appeared before me \_\_\_\_\_, the signer of  
the above certification, who duly acknowledged to me that he/she  
executed the same.

(SEAL)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:  
  
\_\_\_\_\_

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**FOR COMPLETION BY BORROWER ONLY:****1. Calculation of eligible income:**

a. Total amount entered for entire household in 1 above: \_\_\_\_\_

b. If the amount entered in 2.a above exceeds \$5,000, enter the greater of (i) the amount entered in 2.b less the amount entered in 2.c and (ii) the passbook savings rate as designated by HUD multiplied by the amount entered in 2.a: \_\_\_\_\_

c. **TOTAL ELIGIBLE INCOME**  
(Line 1.a plus line 1.b): \_\_\_\_\_

**2. The amount entered in 1.c is: (place "x" on appropriate line)**

\_\_\_\_\_ Less than \$ \_\_\_\_\_ which is the maximum income at which a household of \_\_\_\_\_ persons may be determined to be a Lower-Income Family as that term is defined in the Regulatory Agreement dated as of \_\_\_\_\_, between the City of Chicago, Illinois and \_\_\_\_\_ (the "Regulatory Agreement").

\_\_\_\_\_ More than the above-mentioned amount.

3. Number of apartment unit assigned: \_\_\_\_\_

4. This apartment unit (was/was not) last occupied for a period of 31 consecutive days by a person or persons whose Total Eligible Income, as certified in the above manner, was equal to or less than the amount at which a person would have qualified as a Lower-Income Family under the terms of the Regulatory Agreement. It had been vacant for \_\_\_\_\_ days.

5. The number of units in the Project which are presently occupied is \_\_\_\_\_.

6. The number of units occupied by Lower-Income Families (i.e., occupants' anticipated income does not exceed \$ \_\_\_\_\_ based upon Income Computation Certifications on file, as adjusted for family and unit size) is \_\_\_\_\_. The number of units which were previously occupied by Lower-Income Families but have been vacated and have not been re-occupied (other than for a temporary period of no more than 31 days) is \_\_\_\_\_. The sum of the units described in this paragraph 6 is equal to \_\_\_% of the total number of occupied units from paragraph 5 above.

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- 7. The number of units occupied by persons whose total anticipated income does not exceed \$ \_\_\_\_\_ (as adjusted for family and unit size) is \_\_\_\_\_ which is equal to \_\_\_\_\_ % of the total number of occupied units.

Applicant:

\_\_\_\_\_ Qualifies as a Lower-Income Family.  
 \_\_\_\_\_ Does not qualify as a Lower-Income Family.

\_\_\_\_\_  
BORROWER

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## Greenwood Cap X

5/16/2006

### Greenwood

	Number	Cost	Total
Plans, Permits & Design Drawings	1	\$ 1,600.00	\$ 1,600.00
Repair Permit	1	\$ 1,400.00	\$ 1,400.00
Rehab Vacant Units (Labor)	48	\$ 2,105.00	\$ 101,040.00
Rehab Vacant Units (Material)	48	\$ 500.00	\$ 24,000.00
Boilers	0	\$ 8,500.00	\$ -
Hot Water Tanks	0	\$ 6,500.00	\$ -
Tuckpointing\Lintels	1	\$ 3,500.00	\$ 3,500.00
Paint Hallways	8	\$ 1,800.00	\$ 14,400.00
Paint Stairwells	2	\$ 2,000.00	\$ 4,000.00
Carpet Hallways	8	\$ 1,500.00	\$ 12,000.00
Carpet Stairwells	2	\$ 1,500.00	\$ 3,000.00
Carpet - Units	48	\$ 1,200.00	\$ 57,600.00
Plywood for Hallways	8	\$ -	\$ -
Security	1	\$ 20,000.00	\$ 20,000.00
Baseboard Radiator Repair/Replacement	1	\$ 20,000.00	\$ 20,000.00
Porch Replacement	2	\$ 12,000.00	\$ 24,000.00
Front Doors	1	\$ 4,000.00	\$ 4,000.00
New Cabinets	48	\$ 1,000.00	\$ 48,000.00
Hang Cabinets	48	\$ 300.00	\$ 14,400.00
Cleanout / Dumpsters	1	\$ 5,000.00	\$ 5,000.00
Iron Work / Locks	1	\$ 3,500.00	\$ 3,500.00
Plumbing & Material For Kitchens	48	\$ 350.00	\$ 16,800.00
Broken Glass & Misc.	1	\$ 5,000.00	\$ 5,000.00
Sub Total			\$ 383,240.00
Contingency	10.00%		\$ 38,324.00
<b>Total Cap X</b>			<b>\$ 421,564.00</b>