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THIS INSTRUMENT WAS PREPARED
BY AND AFTER RECORDING RETURN
TO: Richard B. Muller
Illinois Housing Development
Authority
401 N. Michigan Ave., Ste. 900
Chicago, Illinois 60611
Permanent Tax Index
Identification No.:
18-03-300-021
Property Address:
4306 S. Blanchan
Brookfield, Illinois

HTF-0833

REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (this "Agreement"), dated as of the 22nd day of October, 1998, by and between **SEGUIN SERVICES, INC.** (the "Owner"), an Illinois not-for-profit corporation, and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** (the "Authority"), a body politic and corporate established pursuant to the Illinois Development Act, 20 ILCS 3805/1 et seq., as amended from time to time (the "Act");

W I T N E S S E T H:

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

WHEREAS, the Owner is the holder of legal title to certain real property upon which single family residence is constructed, located in Brookfield, Cook County, Illinois. The real property is legally described in **Exhibit A** attached to and made a part of this Agreement (the "Real Estate"); the Real Estate and the improvements constructed on it are collectively referred to in this Agreement as the Development; and

Lawyers Title Insurance Corporation

CERTAIN OF THE PROVISIONS HEREOF MAY CONTINUE IN EFFECT NOTWITHSTANDING THE PAYMENT IN FULL OF THE MORTGAGE LOAN.

WHEREAS, the Authority has issued a conditional commitment letter (the "Commitment") pursuant to which it has agreed to make a loan to the Owner in the sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Loan") to be used with such other monies, if any, as provided and for the purposes stated in the Commitment; a portion of the proceeds of the Loan have been used to purchase the Development; and

WHEREAS, as an inducement to the Authority to make the Loan and to authorize the use of proceeds of the Loan to purchase the Development, the Owner has agreed to enter into this Agreement and consents to be regulated and restricted by the Authority as provided in this Agreement in the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of the Authority promulgated under the Act.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Incorporation**. The foregoing recitals are made a part of this Agreement.
2. **Act and Regulations**. The Owner agrees that at all times its acts regarding the Development shall be in conformance with the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of Authority promulgated under the Act, all as the same may be amended from time to time.
3. **Additional Owner Covenants**. The Owner further covenants and agrees that:
 - a. The Owner shall limit occupancy in the Development to three (3) developmentally disabled individuals whose income as of the initial date of their tenancy does not exceed the income limit for Very Low Income Tenants (as defined in **Paragraph 9** hereof) and one (1) individual, who will be a caretaker for the other three (3) tenants, whose income as of the date of his or her initial tenancy does not exceed the income limit for Low Income Tenants (as defined in **Paragraph 9** hereof).
 - b. In the advertising, marketing, rental or sale of the Development and the selection of a Tenant for the Project, the Owner agrees to abide by the terms and conditions of the Participant Selection Plan dated November 25, 1997, executed between the the Authority and the Owner, as it may be amended from time to time;
 - c. On forms approved by the Authority, the Owner shall

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obtain from each prospective tenant prior to occupancy a certification of such Tenant's household income (individually, a "Certification"). The Owner shall submit such Certifications to the Authority in the manner prescribed by the Authority;

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

e. The Owner shall obtain all governmental approvals required by law for its rehabilitation, ownership and operation of the Development;

f. The Owner shall submit to the Authority on an annual basis the rent schedule for the Development reflecting the actual rate being charged; and

g. The Owner shall not evict any tenant from the Development without good cause.

4. **Acts Requiring Authority Approval.** The Owner shall not without the prior written approval of the Authority:

a. Convey, transfer or encumber, or permit the conveyance, transfer or encumbrance, of the Development;

b. Rent any unit in the Development for less than thirty (30) days;

c. Change the rental charge for any unit in the Development;

d. Enter into any contract or contracts for supervisory or managerial services, other than those previously approved by the Authority.

5. **Owner's Duties.** In addition to, but not by way of limiting of, the other duties of the Owner set forth in this

Agreement, it shall comply with the following:

a. Maintenance. It shall maintain the Development in a decent, safe and sanitary condition, and in a rentable and tenantable state of repair, and in compliance with applicable federal, state and local statutes, regulations, ordinances, standards and codes.

b. Management. It shall provide for the management of the Development in a manner satisfactory to the Authority.

6. Non-Discrimination in Housing.

a. The Owner shall not, in the selection of tenants, in the provision of services, or in any other manner discriminate against any person on the grounds of race, color, creed, religion, sex, age, handicap, national origin, family or marital status or because a prospective Tenant is receiving governmental rental assistance.

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

7. Violation of Agreement by Owner. Upon violation of any of the provisions of this Agreement by the Owner, the Authority shall give written notice of such violation to the Owner as provided in Paragraph 19 hereof. If such violation is not corrected to the satisfaction of the Authority within thirty (30) days of the date of such notice, or within such further time as the Authority in its sole discretion permits, Authority may declare a default under this Agreement effective on the date of such declaration of default and upon such default the Authority may:

a. Declare that portion of the indebtedness under the Note that is attributable to the Development immediately due and payable and then proceed with the rights and remedies set forth in the Mortgage;

b. Collect all rents and charges in connection with the operation of the Development and use such collections to pay the Owner's obligations under this Agreement, the Note, the Mortgage and such other obligations of the Owner in connection with the Development and the necessary expenses of preserving and operating the Development;

c. Take possession of all or part of the Development, bring any action necessary to enforce any rights of the

Owner growing out of the operation of the Development and operate the Development in accordance with the terms of this Agreement until such time as the Authority, in its sole discretion, determines that the Owner is again in a position to operate the Development in accordance with the terms of this Agreement and in compliance with the requirements of the Note and Mortgage;

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

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

f. No delay on the part of the Authority in exercising any rights under this Agreement, failure to exercise the same nor the exercise of less than all of its rights under this Agreement shall operate as a waiver of such right. The Authority's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the Authority's other remedies.

8. Termination of Liabilities.

a. In the event of a sale or other transfer of the Development, all of the duties, obligation undertakings and liabilities of the owner-transferor, under the terms of this Agreement, shall thereafter cease and terminate as to such owner-transferor, except as to any acts or omissions or obligations to be paid or performed of such owner-transferor which occurred prior to such sale or transfer. However, as a condition precedent to the termination of the liability of the owner-transferor under this Agreement, the owner-transferee shall assume, on the same terms and conditions as apply under this Agreement to the owner-transferor, all of the duties and obligations of such owner-transferor, arising under this Agreement from and after such sale or transfer. Such assumption shall be in form and content acceptable to the Authority.

b. Any new owner of the Development (a "New Owner") shall be bound by the terms of this Agreement to the same extent and on the same terms as the present Owner is bound under this Agreement and shall execute an assumption of such obligation in form and content acceptable to the Authority as condition precedent to such party's admission as a New Owner; however, any such New Owner shall not be obligated with respect to matters or events which occur or arise prior to such party's admission as a New Owner.

9. **Definitions.** As used in this Agreement, the term:

a. "Low Income Tenant" means a single person whose adjusted income is less than 80% of the median income of the metropolitan statistical area of Chicago, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

b. "Very Low Income Tenant" means a single person whose adjusted income is less than 50% of the median income of the metropolitan statistical area of Chicago, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

10. **Term of Agreement/Covenants Running with Land.** The covenants set forth in this Agreement shall be deemed to run with and bind and burden the Development, and shall be deemed to bind any New Owner and any other future owners of the Development and any legal, equitable or beneficial interest in the Development; so long as the Note and Mortgage are outstanding and in effect, each and every covenant in this Agreement shall remain in effect.

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

12. **Execution of Conflicting Documents.** The Owner warrants that it has not, and shall not, execute any other agreement with provisions contradictory, or in opposition, to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict with them; however, to the extent this Agreement conflicts with any provisions or requirements set

forth in the Mortgage or the Note, the Mortgage or the Note, as the case may be, shall prevail and control.

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

14. **Binding Successors.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns; however, the Owner may not assign this Agreement or any of its obligations under this Agreement without the prior written approval of the Authority.

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

16. **Waiver by Authority.** No waiver by the Authority of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

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

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

(a) If to the Owner

Seguin Services, Inc.
3100 S. Central Ave.
Cicero, Illinois 60804
Attention: John Voit

(b) If to the Authority: Illinois Housing Development
Authority

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

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any

notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives.

OWNER:

SEGUIN SERVICES, INC.

By: James R. Donoval
James R. Donoval
Its Agent

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT
AUTHORITY

By: Jordan N. Varones
Jordan N. Varones
Its Executive Director

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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 N. Varones, personally known to me to be the Executive Director of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, 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 Executive Director of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, as his free and voluntary act and deed and as the free and voluntary act and deed of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, for the uses and purposes therein set forth.

Given under my hand and official seal this 22nd day of October, 1998.



Notary Public

My Commission expires: 6/10/2001



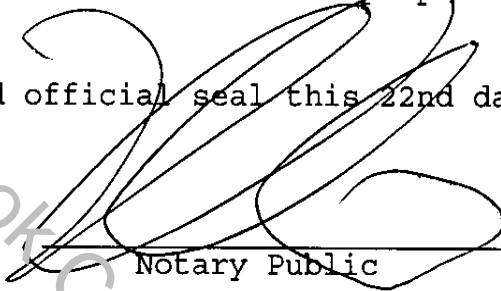
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

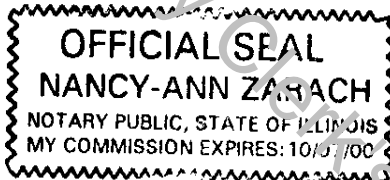
I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that James R. Donoval, personally known to me to be the Agent of **SEGUIN SERVICES, INC.**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument in his capacity as Agent of **SEGUIN SERVICES, INC.**, as his free and voluntary act and deed and as the free and voluntary act and deed of the **SEGUIN SERVICES, INC.**, for the uses and purposes therein set forth.

Given under my hand and official seal this 22nd day of October, 1998.



Notary Public

My commission expires: _____



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EXHIBIT A

LEGAL DESCRIPTION

LOT 4 AND THE SOUTH $\frac{1}{2}$ OF LOT 3 IN BLOCK 12 IN WEST GROSSDALE, A
SUBDIVISION OF THE WEST $\frac{1}{2}$ OF THE WEST $\frac{1}{2}$ OF SECTION 3, TOWNSHIP 38
NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS

Property of Cook County Clerk's Office