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Prepared By
And When Recorded Mail To:

Albert, Whitehead, P.C.
10 North Dearborn Street
Suite 600
Chicago, Illinois 60602

Doc# 1727218112 Fee \$56.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 09/29/2017 03:54 PM PG: 1 OF 10

61T 40034555 (a)

Space Above For Recorder's Use

CAPITAL MAGNET FUND RESTRICTIVE COVENANT AGREEMENT

THIS CAPITAL MAGNET FUND RESTRICTIVE COVENANT AGREEMENT (this "Restrictive Covenant") is made as of this 28th day of September, 2017, by **PP FAMILY, LLC**, an Illinois limited liability company ("Borrower"), for the benefit of **IFF**, an Illinois not for profit corporation ("Lender").

RECITALS

- A. Borrower holds fee simple title to certain real property that (i) is located in Cook County, Illinois, (ii) has multiple street address in the vicinity of Lawndale Avenue and 50th Street, Chicago, Illinois, and (iii) is legally described on Exhibit A attached hereto (the "Restricted Property").
- B. Borrower has constructed a 78-unit affordable housing development on the Restricted Property (the "Project"), which is a Project that is creating Affordable Housing (as that term is defined in 12 CFR Part 1807 Subpart D) and thereby qualifies for financing assistance from Lender's CMF Affordable Housing Fund, which is funded by an award from the CDFI Fund's Capital Magnet Fund (the "CMF Award") and administered consistent with the requirements of 12 CFR Part 1807 (the "CMF Requirements").
- C. Lender is loaning a portion of the CMF Award to Borrower to facilitate Borrower's permanent financing of the Restricted Property (the "CMF Funds"), which loan ("Loan") is evidenced by that certain Promissory Note of even date herewith in the principal amount of \$750,000 made by Borrower payable to Lender (the "Promissory Note"), which Promissory Note is secured by a Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing dated of even date herewith made by Borrower in favor Lender and to be recorded against the Restricted Property (the "Mortgage").
- D. One of the CMF Requirements is that Borrower place certain restrictive covenants on the Restricted Property for a period of ten (10) years from the date the Restricted Property is "placed in service."

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AGREEMENTS

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated into and made a part of this Restrictive Covenant, receipt of the CMF Funds, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower hereby agrees as follows:

1. Affordability Period and Placed In Service Date.

(a) Affordability Period. Subject to the provisions of Section 3 below, this Restrictive Covenant and the restrictions described herein shall encumber the Restricted Property and remain in full force and effect for a period of ten (10) years commencing on the Placed In Service Date (as defined below) and shall automatically terminate (without any further action by Lender or Borrower) on the tenth (10th) anniversary of the Placed in Service Date (the "Affordability Period").

(b) Placed In Service Date. September 28, 2017, which is the date the construction of the Restricted Property was completed and initial occupancy thereof, as set forth in 12 CFR Part 1807, was achieved, is the "Placed In Service Date."

2. Restrictions. During the Affordability Period, the Restricted Property and the Project shall:

(a) be Affordable Housing, as defined in subpart D of 12 CFR Part 1807;

(b) meet all applicable state and local codes, rehabilitation standards, ordinances and zoning requirements, or, in the absence of a state or local building code, the International Residential Code or International Building Code (as applicable) of the International Code Council;

(c) meet all applicable accessibility requirements set forth at 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Multi-family housing, as defined in 24 CFR 100.201, must also meet all applicable design and construction requirements set forth in 24 CFR 100.205 which implements the Fair Housing Act (42 U.S.C. 3601-3619);

(d) meet all applicable state and local codes, ordinances or other disaster mitigation requirements (e.g. earthquake, hurricanes, flooding, wind, fires), or other requirements as the Department of Housing and Urban Development has established in 24 CFR part 93;

(e) meet all applicable lead-based paint requirements, including those set forth in 24 CFR part 35; and

(f) if the remaining useful life of one or more of the major systems of the Restricted Property is less than the 10-year Affordability Period, on the Placed In Service Date Borrower must establish a replacement reserve and thereafter ensure that monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. Major systems include, structural support, roofing, cladding and weather proofing (e.g. windows, doors, siding, gutters), plumbing, electrical, heating, ventilation and air conditioning.

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3. Termination of Restrictive Covenant in Event of Foreclosure. This Restrictive Covenant will automatically terminate (without any further action by Borrower or Lender) upon foreclosure of an Approved Mortgage (defined below) or upon transfer of the Restricted Property in lieu of foreclosure of an Approved Mortgage, provided however, this Restrictive Covenant shall revive according to the original terms if, during the Affordability Period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Restricted Property. "Approved Mortgage" means the Mortgage and any other mortgage which Lender has approved as a permitted encumbrance on the Restricted Property.

4. CMF Requirements. During the Affordability Period Borrower agrees to comply with the CMF Requirements, including the following covenants and agreements:

- (a) Pursuant to 12 CFR §1807.400, all of the CMF Funds shall be used to create units of housing for individuals and/or families to be occupied by and affordable for households with incomes at or below 120% of area median income ("AMI") (the "Affordable Units").
- (b) Pursuant to 12 CFR §1807.400, greater than fifty percent (50%) of the Affordable Units shall be occupied by households that qualify as Low-Income (51% to 80% AMI) ("LI"), Very Low-Income (31% to 50% AMI) ("VLI"), or Extremely Low-Income Families (less than 30% AMI) ("ELI").
- (c) Pursuant to 12 CFR §1807.401, at least twenty-percent (20%) of the Project's residential units shall be occupied by residents who meet affordability qualifications for LI, VLI, or ELI.
- (d) The gross rent limits, utility allowances, and submetering rules for the Affordable Units shall be consistent with the requirements of IRC section 42(g)(2) and consistent with 12 CFR §1807.401. Tenants shall be given at least 30 days prior written notice of any rent increase for an Affordable Unit.
- (e) Borrower shall not refuse to lease an Affordable Unit to a Section 8 program certificate or voucher holder (24 CFR part 982, Section 8) or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.
- (f) Borrower shall implement appropriate tracking mechanisms to determine tenant income, consistent with 12 CFR §1807.401(f), to ensure compliance with the covenants contained in this Restrictive Covenant and shall comply with the reporting obligations as required by Lender. Borrower shall, by April 1 of each year, provide an annual certification to Lender for the immediately preceding year setting forth the tenant income levels and demonstrating that leasing of the units at the Restricted Property complies with the restrictions set forth in this Restrictive Covenant.

5. Default. Borrower will notify Lender if it is aware at any time that Borrower does not or cannot comply with the obligations, covenants, and restrictions set forth in this Restrictive Covenant. Failure to comply with the terms and provisions of this Restrictive Covenant shall constitute a Default (as defined in the Promissory Note).

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6. Prepayment; Reporting Requirements. Borrower agrees that the event Borrower elects to prepay the Promissory Note this Restrictive Covenant shall remain in full force and effect until the expiration of the Affordability Period and Borrower shall continue to comply with the reporting requirements set forth in Section 4(f) above until the expiration of the Affordability Period.

7. Automatic Termination at End of Affordability Period. Notwithstanding any provision in this Restrictive Covenant to the contrary, if this Restrictive Covenant has not previously terminated in accordance with the provisions of this Agreement, then this Restrictive Covenant shall automatically terminate (without any further action by Borrower or Lender) upon expiration of the Affordability Period.

8. Termination by Mutual Agreement. Borrower and Lender may terminate this Restrictive Covenant at any time by executing and recording, with the Recorder of Deeds for Cook County, Illinois, a mutual termination of this Restrictive Covenant.

9. Covenants Run with Land. All of the terms and conditions in this Restrictive Covenant, including the benefits and burdens, shall run with the land comprising the Restricted Property and shall be binding upon, inure to the benefit of, and be enforceable by Borrower and Lender and their successors and assigns.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have executed this Restrictive Covenant as of the day and year first above written.

BORROWER:

PP Family, LLC,
an Illinois limited liability company

By: PP Family Manager, LLC,
an Illinois limited liability company,
its Managing Member

By: Brinshore Holding, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
its sole member

By: Brint Development, Inc.,
an Illinois corporation, a member

By: _____
Name: David B. Brint
Title: President

LENDER:

IFF,
an Illinois not for profit corporation

By: *M. Roth*
Name: Matthew Roth
Title: COO

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BORROWER ACKNOWLEDGEMENT

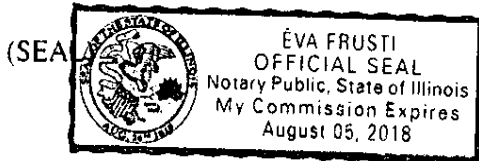
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that David B. Brint, personally known to me to be the President of Brint Development, Inc., a member of Brinshore Development, L.L.C., the sole member of Brinshore Holding, LLC, the managing member of PP Family Manager, LLC, which is the managing member of PP Family, LLC, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, signed and delivered the said instrument, pursuant to authority given by the board of directors on behalf of the managing member, as the free and voluntary act of such person, and as the free and voluntary act and deed of the managing member and the company, for the uses and purposes therein set forth.

Given under my hand and official seal this 21 day of September, 2017.

Eva Frusti

Notary Public



PROPERTY OF COOK COUNTY CLERK'S OFFICE

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LENDER ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
 COUNTY OF WILL) SS

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Matthew Roth, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the COO of IFF, an Illinois not for profit corporation, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein.

Given under my hand and notarial seal this 25 day of September, 2017.

Gina M Eskeli
 Notary Public



(SEAL)

My Commission Expires: 6/8/20

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EXHIBIT A

Restricted Property

PARCEL 1:

LOTS 1, 2, 3 AND 4 IN PARK PLACE RESUBDIVISION, BEING A RESUBDIVISION OF LOTS 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, S. CENTRAL PARK AVENUE, S. MILLARD AVENUE, W. 50TH STREET, AND THE 16 FOOT ALLEY LYING BETWEEN SAID LOTS 64 AND 65 IN PARK PLACE UNIT 1, BEING A SUBDIVISION IN THE SOUTH HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 25 AND 26 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR THE INSTALLATION, CONSTRUCTION AND MAINTENANCE OF AN UNDERGROUND DRAINAGE PIPES AND TO DRAIN STORM WATER THROUGH SAID PIPES, AS CREATED AND DEFINED IN THE DRAINAGE AND DETENTION EASEMENT AGREEMENT DATED OCTOBER 30, 2015 AND RECORDED NOVEMBER 2, 2015 AS DOCUMENT NO. 1530618039, UNDER, OVER, ACROSS, ALONG, UPON AND THROUGH THE DRAINAGE AND DETENTION EASEMENT AREA LEGALLY DESCRIBED IN EXHIBIT C THEREOF, BEING PARTS OF LOT 69 IN PARK PLACE UNIT 1, BEING A SUBDIVISION IN THE SOUTH HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN.

PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 FOR REMOVING AND STORING SOIL FOR USE ON SAID PARCELS 1 AND 2, AS CREATED AND DEFINED IN THE ACCESS AND SITE ACTIVITIES EASEMENT DATED AS OF OCTOBER 30, 2015 AND RECORDED OCTOBER 30, 2015 AS DOCUMENT NO. 1530618040, OVER, UPON, BELOW AND WITHIN LOTS 67 AND 68 IN PARK PLACE UNIT 1, BEING A SUBDIVISION IN THE SOUTH HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN.

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19-11-124-012	4951 S. Lawndale Ave, 4957 S. Lawndale Ave & 3650 S. 50th St & 4958 S. Millard Ave & 3642 W. 50th St. Chicago
19-11-124-013	4940 S. Millard Avenue, 3618, 3622, 3626 & 3630 W. 49th Place, Chicago, IL
19-11-127-001	3617, 3621, 3625 & 3629 W. 49th Place, Chicago, IL
19-11-127-002	4957 S. Millard Avenue & 3624 W. 50th Street & 3616 W. 50th Street, Chicago, IL
19-11-121-025 and 025	3640 W. 51st Street, Chicago, IL

COOK COUNTY
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