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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# 1730445071 Fee \$56.00

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

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 10/31/2017 02:30 PM PG: 1 OF 10

40034321 (1)

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 31st day of October, 2017, by **SACRAMENTO AND THOMAS LIMITED PARTNERSHIP**, an Illinois limited partnership ("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 Sacramento Avenue and Thomas Street, Chicago, Illinois, and (iii) is legally described on Exhibit A attached hereto (the "Restricted Property").

B. Borrower has constructed a 48-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 \$276,194 made by Borrower payable to Lender (the "Promissory Note"), which Promissory Note is secured by a Leasehold 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").

CCRD REVIEW

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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 Restricted Property's "Project Completion Date."

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 Project Completion 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 Project Completion Date (as defined below) and shall automatically terminate (without any further action by Lender or Borrower) on the tenth (10th) anniversary of the Project Completion Date (the "Affordability Period").

(b) Project Completion Date. October 31, 2017, which is the date the Restricted Property fulfilled all of the requirements of 12 CFR Part 1807.503 for purposes of this Restrictive Covenant, is the "Project Completion 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 Project Completion Date Borrower must establish a replacement reserve and thereafter ensure that monthly payments are made to the

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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.

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 (the other mortgages approved by Lender are listed on Exhibit B to the Mortgage)

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 tenant based assistance 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.

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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). If Lender becomes aware, other than by virtue of the reports required hereunder, that Borrower is not in compliance with the obligations, covenants and restrictions set forth in this Restrictive Covenant, then Lender shall notify Borrower and Borrower's Investor Limited Partner of such non-compliance and Borrower and Investor Limited Partner shall have thirty (30) days in which to cure such non-compliance, and any cure tendered by Investor Limited Partner shall be regarded as having been made by Borrower.

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:

Sacramento and Thomas Limited Partnership,
an Illinois limited partnership

By: Sacramento and Thomas Corporation,
an Illinois corporation
Its general partner

By: 
Name: Hipolito Roldan
Its: President

LENDER:

IFF,
an Illinois not for profit corporation

By: _____
Name: _____
Title: _____

Property of Cook County Clerk's Office

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

BORROWER:

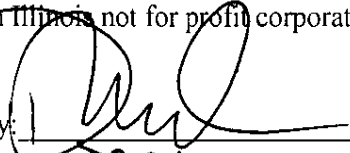
Sacramento and Thomas Limited Partnership,
an Illinois limited partnership

By: Sacramento and Thomas Corporation,
an Illinois corporation
Its general partner

By: _____
Name: Hipolito Roldan
Its: President

LENDER:

IFF,
an Illinois not for profit corporation

By: 
Name: Dana Lieberman
Title: SVP Capital Solutions

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BORROWER ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me by Hipolito Roldan, the President of SACRAMENTO AND THOMAS CORPORATION, an Illinois corporation, (the "General Partner"), which is the general partner of Sacramento and Thomas Limited Partnership, an Illinois limited partnership ("Borrower"), known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained and acknowledged that he signed and delivered said instrument in his capacity as President of such General Partner, and as his free and voluntary act, and as the free and voluntary act of such General Partner on behalf of the Borrower, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30 day of October, 2017.



Joan T. Holowaty

Notary Public

My commission expires: 4-29-2018

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LENDER ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF WILL) SS

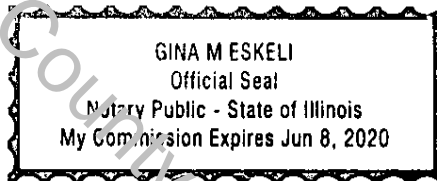
I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Dora Lieberman, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the SVP Capital Solutions of IFF, an Illinois not for profit corporation, 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 30th day of October, 2017.

Gina M Eskeli
Notary Public

(SEAL)

My Commission Expires: 6/8/20



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EXHIBIT A

Restricted Property

PARCEL 1:

LEASEHOLD ESTATE CREATED BY THE AMENDED AND RESTATED GROUND LEASE MADE BY AND BETWEEN NORWEGIAN AMERICAN HOSPITAL, INC., AN ILLINOIS NOT FOR PROFIT CORPORATION, LANDLORD, AND HISPANIC HOUSING DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, TENANT, DATED FEBRUARY 4, 2015, WHICH LEASE WAS RECORDED FEBRUARY 5, 2015 AS DOCUMENT 1503619169 AND ASSIGNED TO SACRAMENTO AND THOMAS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP BY THE ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE MADE BY AND AMONG HISPANIC HOUSING DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, ASSIGNOR, SACRAMENTO AND THOMAS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, ASSIGNEE, AND NORWEGIAN AMERICAN HOSPITAL, INC., AN ILLINOIS NOT FOR PROFIT CORPORATION, LANDLORD, DATED FEBRUARY 4, 2015, RECORDED FEBRUARY 5, 2015 AS DOCUMENT NO. 1503619170, AND AS FURTHER AMENDED BY THE SECOND AMENDMENT TO AMENDED AND RESTATED GROUND LEASE DATED MAY 14, 2015 AND RECORDED MAY 14, 2015 AS DOCUMENT NO. 1513429092, MADE BY AND BETWEEN SACRAMENTO AND THOMAS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, ASSIGNEE, AND NORWEGIAN AMERICAN HOSPITAL, INC., AN ILLINOIS NOT FOR PROFIT CORPORATION, LANDLORD, DEMISING AND LEASING FOR A TERM OF 99 YEARS COMMENCING ON FEBRUARY 4, 2015 AND EXPIRING ON JANUARY 31, 2114, THE FOLLOWING DESCRIBED PREMISES, TO WIT:

LOTS 1 THROUGH 6, BOTH INCLUSIVE, EXCEPT THE EAST 33.25 FEET OF SAID LOT 6, LOTS 7 THROUGH 12, BOTH INCLUSIVE, TOGETHER WITH THE NORTH/SOUTH 16 FOOT ALLEY, VACATED BY THE ORDINANCE RECORDED MARCH 1, 1995 AS DOCUMENT NO. 95143450, ALL IN BLOCK 5, IN CARTER'S RESUBDIVISION OF BLOCKS 1, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15 AND LOTS 2, 4 AND 5 IN BLOCK 17 IN CARTER'S SUBDIVISION OF BLOCKS 1, 2, 3, 4 AND 7 IN CLIFFORD'S ADDITION TO CHICAGO, A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

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PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

COMMON ADDRESS: 1045 -51 N. SACRAMENTO AVENUE,
CHICAGO, IL 60622

PERMANENT INDEX NUMBERS: 16-01-305-001-0000;
16-01-305-002-0000;
16-01-305-003-0000;
16-01-305-004-0000;
16-01-305-005-0000;
16-01-305-006-0000;
16-01-305-007-0000;
16-01-305-008-0000;
16-01-305-009-0000;
16-01-305-012-0000.

Address: 1045 -51 N. Sacramento Avenue, Chicago, Illinois 60622

Property of Cook County Clerk's Office