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**THIS INSTRUMENT WAS PREPARED  
 BY AND AFTER RECORDING RETURN  
 TO: Applegate & Thorne-Thomsen, P.C.  
 425 S. Financial Place, Suite 1900  
 Chicago, Illinois 60605  
 Attention: Nicholas J. Brunick  
 Permanent Tax Index  
 Identification No.: 24-24-225-066-0000  
 See Exhibit A  
 Property Address:  
 11410 S. Western Avenue, Chicago, IL 60643**

Doc# 1915612013 Fee \$88.00  
 RHSP FEE:\$9.00 RPRF FEE: \$1.00  
 EDWARD M. MOODY  
 COOK COUNTY RECORDER OF DEEDS  
 DATE: 06/05/2019 09:58 AM PG: 1 OF 12

## REGULATORY AGREEMENT

196 SA 13015 LP 4 alle LAD

**THIS REGULATORY AGREEMENT** (this "Agreement"), made and entered into as of this 21<sup>st</sup> day of May 2019, by and between 11410 S. WESTERN AVE., LLC, an Illinois limited liability company ("Owner"), and the **COMMUNITY INVESTMENT CORPORATION** ("CIC"), an Illinois nonprofit corporation;

### WITNESSETH:

**WHEREAS**, CIC applied for and received an allocation of funds ("CMF Funds") from the Community Development Financial Institutions Fund ("CDFI Fund"), a division of the United States Department of Treasury, from the CDFI Fund's Capital Magnet Fund program, as set forth in 12 C.F.R. Part 1807 ("CMF Regulations") for use by CIC to make investments to support the development, preservation, rehabilitation or purchase of affordable housing for low-income households in accordance with the Assistance Agreement with an effective date of January 9, 2017 between CIC and the CDFI Fund (the "Assistance Agreement"); and

**WHEREAS**, Owner is acquiring a fee interest in certain real property upon which a residential building consisting of 10 units (the "Units") has been constructed, legally described in **Exhibit A** attached to and made a part of this Agreement (the "Land"), located at 11410 S. Western Avenue, Chicago, IL 60643. The Land and the improvements now or hereinafter constructed on it (including the Units) are collectively referred to in this Agreement as the "Property". Any defined terms not defined herein shall be as defined in the Loan Agreement ("Loan Agreement") between the Owner and CIC dated as of even date herewith; and

S 4  
 P 12  
 S 1  
 M ✓  
 SC 4  
 E ✓  
 INT JA

**WHEREAS**, Owner desires to obtain from CIC a loan utilizing CMF Funds in the amount of SIXTY NINE THOUSAND AND NO/100 (\$69,000.00) (the "Loan"). Proceeds from the Loan shall be utilized by Owner for the acquisition of the Property and other uses in conformance with the CMF Regulations; the Loan is and will be evidenced by that certain Promissory Note of even date herewith (the "Note"), the Loan Agreement and [secured by, among other things, a second (2nd) mortgage on

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

W  
CJH

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the Property (the "Mortgage") and by security interests in certain personal property], and by other additional documents evidencing, governing and securing the rights and remedies of CIC (collectively, with the Loan Agreement, Note and Mortgage, the "Loan Documents"); and

**WHEREAS**, as an inducement to CIC to make the Loan, Owner has agreed to enter into this Agreement and consents to be regulated and restricted by CIC as provided in it, and as provided for in the Assistance Agreement, the CMF Regulations, and the Housing and Economic Recovery Act of 2008, as amended, Public Law 110-289, section 1131 (the "Act") and the rules, regulations, policies and procedures of the CDFI Fund promulgated under the Act, all as they may be amended and supplemented from time to time, as applicable.

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **Incorporation**. The foregoing recitals are incorporated in this Agreement by this reference.

2. **Act and Rules**. Owner agrees that at all times its acts regarding the Property shall be in conformance with the applicable provisions of the Act, the CMF Regulations, the Assistance Agreement and the rules, regulations, policies and procedures of the CDFI Fund promulgated under the Act, all as they may be amended and supplemented from time to time.

3. **Representations, Covenants, and Agreements**. Owner further represents and agrees that:

a. At all times, Owner shall be in compliance with the terms and provisions of the Loan Documents;

b. At least twenty percent (20%) of the Units (the "Affordable Units") shall be occupied by Tenants (as defined in **Paragraph 8** hereof) whose income, at the time of such Tenant's initial occupancy, does not exceed the income limits for Low Income Tenants (as defined in **Paragraph 8** hereof) and the remaining Units may be leased to tenants at market rents;

c. If, at any time, less than twenty percent (20%) of the Units are Affordable Units, the next available Unit must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenants;

d. For the Affordable Units, the rents paid by Low Income Tenants shall not exceed thirty percent (30%) of the imputed income limitation of a Low Income Tenant, with adjustments for the number of bedrooms in the Affordable Unit as set forth in Section 42(g)(2)(C) of the Internal Revenue Code of 1986, as amended, provided, however, that if Owner receives a rental subsidy for the Affordable Unit pursuant to a Housing Assistance Payments ("HAP") Contract with the Chicago Housing Authority ("CHA") or any other

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federal, state, or local rental subsidy, including but not limited to a Housing Choice Voucher ("HCV"), payments made to Owner or a tenant pursuant to such HAP Contract, HCV or other rental subsidy shall not be considered rent paid by a Low Income Tenant for purposes of complying with this paragraph d.

e. On forms approved by CIC, Owner shall obtain from each prospective Low Income Tenant prior to his or her admission to the Property and by each September 30 of each year during each Low Income Tenant's tenancy, a certification of income (the "Certification"). Owner shall submit such Certifications to CIC in the manner prescribed by CIC;

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

g. Owner shall annually submit a rent roll for the Affordable Units for CIC's approval which includes the rent charged to each Low Income Tenant (the "Rent Schedule"), and the Owner shall not change the Rent Schedule for the Affordable Units without CIC's approval.

h. Owner shall comply with any and all requirements related to any HAP Contract with CHA or any other rental subsidy that Owner or a tenant may obtain to benefit the Property.

i. Owner shall obtain all federal, state and local governmental approvals required by law for its acquisition, ownership and operation of the Property; and

j. Owner shall not evict any Tenant from the Property without good cause.

4. **Acts Requiring CIC Approval.** Except as permitted pursuant to the other Loan Documents, Owner shall not, without the prior written approval of CIC, which may be given or withheld in CIC's sole discretion:

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

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

c. Change the Rent Schedule for the Affordable Units.

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## 5. Non-Discrimination in Housing.

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

b. Owner shall comply with all of the provisions of Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Drug Abuse Office and Treatment Act of 1972; the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970; sections 523 and 527 of the Public Health Service Act of 1912; and Title VIII of the Civil Rights Act of 1968; and all other provisions of federal, state and local law relating to non-discrimination.

6. Violation of Agreement by Owner. Upon violation of any of the provisions of this Agreement by Owner, CIC may give notice of such violation to Owner as provided in **Exhibit B** attached to and made a part hereof. If such violation is not corrected to the satisfaction of CIC within thirty (30) days after such notice, CIC may declare a default under this Agreement; however if such condition is not reasonably curable within thirty (30) days despite Owner's reasonable efforts to cure it, Owner shall have sixty (60) additional days to cure such default, so long as (i) that cure is commenced within such initial thirty (30) day period, (ii) Owner continues to diligently pursue such cure in good faith, (iii) CIC's security for the Loan is not, in the sole judgment of CIC, impaired as a result of the existence of such failure, (iv) a monetary default does not exist, and (v) the cure period contained herein does not extend the cure period, if any, contained in the Loan Agreement; after the expiration of such ninety (90) day period, CIC may declare a default under this Agreement (Notwithstanding the cure periods contained herein, if the Loan Agreement provides for less time period or no time period for a cure of a Default hereunder, the provisions of the Loan Agreement shall control), effective on the date of notice of such declaration of default to Owner, and upon such default, and so long as such default is continuing, CIC may do the following:

a. Declare the whole of the indebtedness under the Note immediately due and payable and then proceed to exercise the rights and remedies set forth in any Loan Document;

b. Apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Agreement, or for such other relief as may be appropriate. Because the injury to CIC 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, Owner acknowledges and agrees that CIC's remedies at law, in the event of a violation of this Agreement, would be inadequate; or

c. Exercise such other rights or remedies as may be available to CIC under this

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Agreement, under the Loan Documents, at law or in equity.

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

7. **Termination of Liabilities.** In the event of a sale or other transfer of the Property, all of the duties, obligations, undertakings and liabilities of Owner or other transferor (the "Transferor") under the terms of this Agreement shall thereafter cease and terminate as to the Transferor, except as to any acts or omissions or obligations to be paid or performed by the Transferor that occurred or arose prior to such sale or transfer. As a condition precedent to the termination of the liability of the Transferor under this Agreement, the transferee of the Property (a "New Owner"), as a condition precedent to its admission as a New Owner, shall meet with CIC and assume in writing, on the same terms and conditions as apply to the Transferor, all of the duties and obligations of the Transferor arising under this Agreement from and after the date of such sale or transfer. Such assumption shall be in form and substance acceptable to CIC. Any such New Owner shall not be obligated with respect to matters or events that occur or arise before its admission as a New Owner.

8. **Definitions.**

a. "Low Income Tenant". As used in this Agreement, the phrase "Low Income Tenant" means a single person, family or unrelated persons living together whose adjusted income is less than or equal to fifty percent (50%) of the area median income.

b. "Tenant". As used in this Agreement, the word "Tenant" means a person, family or unrelated persons leasing a Unit in the Property.

9. **Term of Agreement; Covenants Run with Property.** The covenants and agreements set forth in this Agreement shall encumber the Property and be binding on any New Owner and any other future owners of the Property and the holder of any legal, equitable or beneficial interest in it for a period of fifteen (15) years (commencing on the date hereof), irrespective of whether the Loan has been repaid in full or forgiven voluntarily by CIC or tendered by any party following an acceleration by CIC of the Note or enforcement by CIC of its remedies in connection with the Loan Documents, provided, however, at the election of CIC, this Agreement may terminate upon transfer of the Property following foreclosure or in lieu of foreclosure.

Owner expressly acknowledges that its undertakings and agreements stated in this Agreement are given to induce CIC to make the Loan and that continued performance of the covenants and agreements set forth in this Agreement for the period set forth in the previous paragraph is a condition precedent to the willingness of CIC to make the Loan, even if the Loan has been repaid prior to its maturity date.

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

11. **Execution of Conflicting Documents.** Owner warrants that it has not executed, and it agrees that it shall not execute, any other agreement with provisions contradictory, or in opposition, to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are and shall be paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict with this Agreement. To the extent this Agreement conflicts with any provisions or requirements set forth in any other Loan Document, CIC shall determine which provision controls.

12. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or its application to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of it to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such determination and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. **Successors.** Subject to the provisions of **Paragraph 7** hereof, this Agreement shall bind, and the benefits shall inure to, the parties to this Agreement, their legal representatives, successors in office or interest and assigns, however, Owner may not assign this Agreement, or any of its obligations under this Agreement, without the prior written approval of CIC.

14. **Indemnification of CIC.** Owner agrees to defend and indemnify and hold harmless CIC from and against any and all damages, including, but not limited to, any past, present or future claims, actions, causes of action, suits, demands, liens, debts, judgments, losses, costs, liabilities and other expenses, including, but not limited to, reasonable attorneys' fees, costs, disbursements, and other expenses, that CIC may incur or suffer by reason of or in connection with the Property, except if arising solely due to CIC's gross negligence, willful misconduct or after CIC takes possession of the Premises. Owner further agrees that CIC, if it so chooses, shall have the right to select its own counsel with respect to any such claims.

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

17. **Notices.** Notices under this Agreement shall be given as provided in **Exhibit B** hereof.

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

(THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.)

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

**OWNER:**

**11410 S. WESTERN AVE., LLC**

---

**Sellers Williams**

**Its: Sole Manager/Member**

**CIC:**

**COMMUNITY INVESTMENT CORPORATION**

By: *John Crane*  
**John Crane, Senior Vice President**

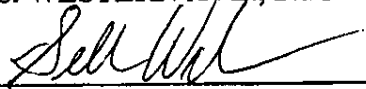
Property of Cook County Clerk's Office

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**Sellers Williams**

**Its: Sole Manager/Member**

**CIC:**

**COMMUNITY INVESTMENT CORPORATION**

**By: \_\_\_\_\_  
John Crane, Senior Vice President**

Property of Cook County Clerk's Office



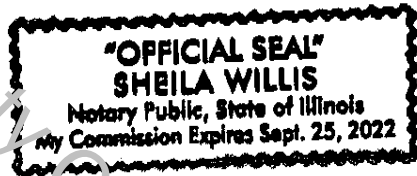
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STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of \_\_\_\_\_, 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 \_\_\_\_\_ of \_\_\_\_\_, as his free and voluntary act and deed and as the free and voluntary act and deed of \_\_\_\_\_, as \_\_\_\_\_, for the uses and purposes therein set forth.

Given under my hand and official seal this 30th day of May, 2019.

Sheila Willis  
Notary Public



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STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, *Cheryl Ann Nutley*, a notary public in and for said County, in the State aforesaid, do hereby certify that Sellers Williams, the Sole Manager/Member of 11410 S. WESTERN AVE., 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 as his own free and voluntary act of the company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 30<sup>th</sup> day of May, 2019.

*Cheryl Ann Nutley*  
Notary Public



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## EXHIBIT A LEGAL DESCRIPTION OF REAL ESTATE

LOT 5 AND THE NORTH HALF OF LOT 6 IN JOHN J. MACK'S RESUBDIVISION OF LOTS 1 AND 2 IN BLOCK 8 IN C.A. ROGUE'S ADDITION TO MORGAN PARK, BEING A SUBDIVISION OF PART OF THE EAST HALF OF THE NORTHEAST QUARTER IN SECTION 24, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED AS DOCUMENT LR1318969, IN COOK COUNTY, ILLINOIS

PROPERTY COMMONLY KNOWN AS: 11410 S. WESTERN AVENUE, CHICAGO, IL  
60643

PERMANENT INDEX NUMBER(S): 24-24-225-066-0000

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## EXHIBIT B NOTICE PROVISIONS

Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this document 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.

If to CIC:

Community Investment Corporation  
222 South Riverside Plaza, Suite 2200  
Chicago, Illinois  
Attention: President

with copies to:

Applegate & Thorne-Thomsen, P.C.  
440 S. LaSalle Street, Suite 1900  
Chicago, Illinois 60605  
Attention: Nicholas J. Brunick

If to Owner:

Sellers Williams  
1322 S. Prairie Avenue, #1511  
Chicago, IL 60605