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2111647001

**THIS INSTRUMENT WAS PREPARED BY
AND AFTER RECORDING RETURN TO:**

Illinois Housing Development Authority,
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attn: Shellye A. Taylor

Doc# 2111647001 Fee \$88.00

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

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 04/26/2021 09:38 AM PG: 1 OF 25

Property Address:
See Attached Exhibit A

Property Identification No(s).:
See Attached Exhibit A

41059239 (10F8)
AA - 11896

REGULATORY AGREEMENT (AFFORDABLE ADVANTAGE)

THIS REGULATORY AGREEMENT (AFFORDABLE ADVANTAGE) (this "Agreement") is made and entered into as of this 23rd day of April, 2021, by and between **OAK FOREST HORIZON LIMITED PARTNERSHIP**, an Illinois limited partnership ("Borrower") and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** ("IHDA"), a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the "Act"), whose principal office is located at 111 East Wacker Drive, Suite 1000, Chicago, Illinois 60601.

RECITALS

WHEREAS, Borrower is the fee owner of certain real property upon which a housing development consisting of eighty-five (85) units ("Units") is constructed, legally described in **Exhibit A** attached to and made a part of this Agreement ("Real Estate"), located in Oak Forest, Illinois. The Real Estate and the improvements constructed on it are collectively referred to in this Agreement as the "Development"; and

WHEREAS, Oak Forest Horizon, Inc., an Illinois corporation, is the general partner of Borrower ("General Partner") and The Alden Foundation, an Illinois not-for-profit corporation, is the Sole Member of the General Partner ("Sole Member"); and

WHEREAS, Lender has agreed to make a loan to Borrower from its Affordable Advantage Program in the amount of Two Million Four Hundred Thousand and No/100 Dollars (\$2,400,000.00) ("Loan"), to be used with other monies, if any, for the permanent financing of the Development; each non-grammatical capitalized term not defined in this Agreement shall have the meaning ascribed to it in the Loan Agreement of an even date herewith by and between Borrower and IHDA ("Loan Agreement"); and

**CERTAIN OF THE PROVISIONS HEREOF MAY CONTINUE IN EFFECT
NOTWITHSTANDING THE PAYMENT IN FULL OF THE LOAN
PRIOR TO THE MATURITY DATE.**

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WHEREAS, the Loan is and will be evidenced by the Loan Documents; and

WHEREAS, IHDA has required, as a condition precedent to the making of the Loan and the disbursement of the proceeds of the Loan that Borrower execute and deliver this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions set forth in this Agreement, the parties hereto agree as follows:

1. **Recitals.** The foregoing recitals are made a part of this Agreement.
2. **Definitions.** The following terms used in this Agreement shall have the following definitions:

“Default” shall mean the occurrence of any default under any of the Loan Documents, including this Agreement, following any applicable grace or cure periods, if any.

“Development Bank Account” shall mean that account, established in the name of Borrower in a bank or savings and loan institution in the State of Illinois whose deposits are either insured by the Federal Deposit Insurance Corporation or invested in investments permitted by **Paragraph 5(j)** hereof, into which all Development Funds received by Borrower or its agents are to be deposited.

“Development Funds” shall mean all cash, rent subsidies, gross Development income, bank accounts, certificates of deposit, trust funds, reserves, escrows, accounts receivable, and other similar assets of the Development, (including, but not limited to rent insurance proceeds, fire or other insurance proceeds, condemnation proceeds, and loan proceeds, but excluding security deposits that, pursuant to contract or law, Borrower is, or may be, required to return to a Tenant, and any contributions or advances from partners of the Borrower.

“Income Restricted Tenant” shall mean a Tenant who is eligible to occupy an Affordable Unit reserved for individuals or families meeting the income restrictions set forth in **Paragraph 4(c)**.

“Project Equity” shall mean the amount of Borrower’s equity in the Project as of the Closing Date, as determined by Lender, which shall be equal to the difference between the appraised value of the Project evidenced by the appraisal approved by the Lender and the sum of the amount of the Loan plus the amount of any permitted subordinate financing.

“Tenant” shall mean a person, family or unrelated persons leasing a Unit.

“Unit” or “Units” shall mean a dwelling unit or units in the Development.

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3. **Act and Rules.** As an inducement to the Authority to make the Loan, Borrower agrees that at all times its acts regarding the Development shall be in conformance with the applicable provisions of the Act and all applicable rules, regulations, policies and procedures of IHDA, all as they may be amended and supplemented from time to time.

4. **Additional Borrower Covenants.** Borrower further agrees that:

a. It shall make all payments due under the Note and the other Loan Documents;

b. It shall be a "single asset owner," as provided in 24 CFR Part 266; the only interest in real estate to which Borrower shall hold legal title shall be the Development, and Borrower shall not be the fee or leasehold owner of any other real estate, and shall not hold the beneficial interest in any land trust;

c. All of the Units shall be occupied by tenants whose family income is eighty percent (80%) or less of the median income of the Chicago Metropolitan area, with adjustments for household size ("Median Income"), 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. Additionally, Borrower covenants that throughout the term of this Agreement, the Borrower will use reasonable efforts to obtain and will accept any locally, state or federally-administered operating subsidy or project based rental assistance, including, but not limited to Section 8 project based vouchers, should such subsidy or assistance be made available on any of the Units.

d. Borrower shall establish and annually submit a schedule of rents with utility allowances for the Affordable Units in the Development for IHDA's approval, such schedule shall be subject to the income restrictions set forth in Paragraph 4(c) hereof; the portion of rent paid by the Tenant for each Affordable Unit shall not exceed thirty percent (30%) of the maximum income for each such Affordable Unit; Borrower shall not change the rent schedule (or the rental charges) and utility allowances for the Affordable Units without IHDA's approval;

e. In the advertising, marketing and rental of the Affordable Units and in the selection of Tenants for such Units, Borrower shall abide by the terms and conditions of (i) the Affirmative Fair Housing Marketing Plan of Borrower previously approved by IHDA, and by this reference made a part of this Agreement; (ii) the Tenant Selection Plan of Borrower previously approved by IHDA and by this reference made a part of this Agreement; and (iii) all other equal opportunity and fair housing requirements of applicable federal, state and local law;

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f. In the management and operation of the Development, Borrower agrees to abide by the terms and conditions of (i) the Management Plan of Borrower or its agent previously approved by IHDA, and by this reference made a part this Agreement; (ii) the Management Agreement under which the Development is to be managed, previously approved by IHDA; (iii) the Affirmative Fair Housing Marketing Plan of Borrower or its agent previously approved by IHDA;

g. On forms approved by IHDA, Borrower shall obtain from each prospective Tenant prior to admission to an Affordable Unit, a certification of income (the "Certification"), and at intervals required by IHDA, a recertification of income (the "Recertification") on forms approved by IHDA. Borrower shall submit such Certifications and Recertifications in the manner prescribed by IHDA;

h. In a manner prescribed by IHDA, Borrower shall obtain written evidence substantiating the information given on the Certifications and Recertifications and shall retain that evidence in its files for three (3) calendar years after the year to which such evidence of income pertains. Within thirty (30) days following the end of each calendar year, Borrower shall certify to IHDA that, at the time of such certification and during the preceding calendar year, Borrower was in compliance with the requirements of this **Paragraph 4**, or, if Borrower is not or has not been in compliance with such requirements, Borrower shall identify the details of how it failed to comply and the corrective action it is taking or has taken;

i. Borrower shall require all Tenants of an Affordable Unit to execute a lease in the form prescribed or approved by IHDA (the "Lease");

j. Borrower shall not permit the use of the Units for any purpose except residential use, or permit non-residential use of the Development greater or different than that originally approved by IHDA;

k. Borrower shall timely perform its obligations under this Agreement and that certain IHDA Regulatory Agreement between the Borrower and the IHDA (the "TF Loan Regulatory Agreement"), (collectively the "Restrictive Agreements"). No consent or approval given by IHDA under or in connection with the Restrictive Agreements shall be deemed to constitute any consent or approval of IHDA under this Agreement or under any other Loan Document. In the event of any conflict between this Agreement and the provisions of the Restrictive Agreements, the more restrictive provisions shall control and prevail;

l. Borrower shall not evict any Tenant from an Affordable Unit in the Development without good cause;

m. Borrower shall obtain all governmental approvals required by federal, state and local laws for its acquisition, rehabilitation, ownership and operation of the Development.

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5. **Acts Requiring IHDA Approval.** Borrower shall not, without the prior written approval of IHDA:

- a. Assign, transfer, dispose of (other than obsolete or damaged property, so long as equivalent replacements are obtained) or encumber any real or personal property of the Development (or any part of it, excluding the Permitted Exceptions as defined in the Mortgages), including rents, or pay out any Development Funds, except for reasonable Operating Expenses, Administrative Expenses and Maintenance Expenses and as otherwise expressly permitted in the Loan Documents;
- b. Remodel, add to, reconstruct or demolish any part of the Development or subtract from any real or personal property of the Development, except in connection with the rehabilitation described in the Loan Documents and as contemplated by the Plans and Specifications approved by IHDA;
- c. Engage in any other business or activity, including the operation of any other housing development, or incur any liability or obligation not in connection with the Development;
- d. Initially rent any Affordable Unit for a period of other than one (1) year, and after such initial one (1) year period, rent any Affordable Unit for less than six (6) months or more than one (1) year;
- e. Permit a Tenant to rent more than one (1) Affordable Unit at any given time;
- f. Change the rental charge of the Affordable Units or any other service charges to the Tenants of the Affordable Units set or approved by IHDA;
- g. Lease, sublease or license any non-residential facility in the Development, or amend or modify any such lease or sublease, in a manner that would result in a conflict of interest between any of the parties to such contracts and IHDA, its members, officers, employees, agents or members of their respective immediate families;
- h. Require, as a condition of the occupancy or leasing of any Affordable Unit, any consideration or deposit other than the pre-payment of the first month's rent plus a security deposit in an amount not in excess of one (1) month's rent to guarantee the performance of the covenants of the Lease. Any funds collected as security deposits shall be kept separate and apart from all other funds of the Development in one or more trust accounts with one or more federally insured depositories located in Illinois, approved in writing by IHDA; the aggregate amount in such trust accounts shall at all times equal or exceed the aggregate of all outstanding obligations of Borrower under the Leases regarding security deposits. If interest is earned on such trust account, it shall be transferred, as earned, into the Development Bank Account, as set forth in **Paragraph 11**, below, unless otherwise required by federal, state or local law;

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i. Incur any liability, direct or contingent, other than: (i) the Costs of the Development; (ii) current Operating Expenses, Administrative Expenses and Maintenance Expenses; (iii) the Junior Financing; and (iv) except as otherwise approved by IHDA in writing; all liability for capital expenditures shall require IHDA's written approval; provided, however, Borrower may seek IHDA's written approval promptly after completion of any emergency repairs necessary to protect tenants;

j. Invest or deposit any funds from the Development in any property, real, personal or mixed, except obligations of, or fully guaranteed or secured as to principal by, the United States of America, any agency of its agencies or the State of Illinois, or deposit such funds in a depository not approved in writing by IHDA;

k. Enter into any contract or contracts for supervisory or managerial services, including but not limited to property management services for the Development, other than contracts approved by IHDA;

l. Pay any compensation, including wages or salaries, or incur any obligations, to management staff or any officers, directors, stockholders, trustees, partners, beneficiaries under a trust or to any of their nominees, except reasonable compensation pursuant to the approved annual operating budget or contracts first approved by IHDA; or

m. Convey, assign or transfer any right to manage or receive the rents and profits from the Development, except as otherwise expressly permitted in the Loan Documents.

6. Distributions.

a. Borrower shall not make, receive or retain any Distribution except as permitted in this Agreement, and then only on the following conditions:

i. Any Distribution shall be made only after (x) IHDA receives and approves the audited financial statements of the Development for the calendar year to which the Distribution relates; and (y) Borrower receives IHDA's written approval of the amount and nature of the Distribution in accordance with IHDA's guidelines, policies and the Rules, including, but not limited to Borrower submitting a certification regarding Surplus Cash and the funds available for Distribution, in the form set forth in **Exhibit C** attached hereto;

ii. Any Distribution shall be limited in any one (1) calendar year to Surplus Cash, as calculated by IHDA, or assets having a fair market value, or some combination of both, that does not in the aggregate exceed \$75,000 ("Limited Distribution"), subject to the Act and Rules. The Limited Distribution for any calendar year that is less than a full calendar year shall be prorated and limited on a per diem basis;

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iii. The right to Limited Distributions shall cumulate from the Final Closing Date. To the extent that Borrower does not receive all or a portion of a Limited Distribution in any calendar year, it may be paid out of Surplus Cash or Residual Receipts, if any, available in subsequent years, but subject to all of the conditions and requirements relating to a Limited Distribution with respect to the most recent calendar year; and

iv. No Distribution shall be made until after the Disbursement of the Loan proceeds is made and until the Development's annual operating budget for the calendar year following the one with respect to which the Limited Distribution amount has been calculated has been approved by IHDA. No Distribution shall be made to Borrower while there is a Default. No Distribution shall be made unless there has been compliance with all requirements for proper maintenance and operation of the Development, whether pursuant to notices of deficiencies from IHDA or otherwise.

b. So long as all of the preconditions to a Distribution identified in **Paragraph 6(a)(iv)** above have been fulfilled, then, at the time Borrower may or is entitled to receive a Limited Distribution, Borrower may, with the approval of IHDA, make a Distribution to repay advances (in excess of amounts otherwise required under the terms of the Loan Documents) that Borrower or its partners have made (other than Project Equity) to the Development's funds, with interest on such advances at the rate of not more than nine percent (9%) per annum, compounded annually, until repaid. Such payments shall be made only from Surplus Cash or Residual Receipts, and can be made from Surplus Cash or Residual Receipts even though they are in excess of the Limited Distribution. For so long as the Mortgage constitutes a lien on the Development, the right to repay advances set forth in this **Paragraph 6(b)** shall not be available to the maker of any other loan to Borrower for the Development or such lender's designee should either such maker or its designee become the Borrower of the Development by foreclosure, deed in lieu of foreclosure or otherwise.

7. **Borrower's Duties.** In addition to, but not by way of limiting, the other duties of Borrower set forth in this Agreement or any of the other Loan Documents, Borrower shall comply with the following:

a. **Maintenance.** Upon completion of the rehabilitation of the Development, Borrower shall maintain the Development, including the Units and the grounds and equipment appurtenant to it, in good physical condition and in a decent, safe and sanitary condition, and in a rentable and tenantable state of repair, as required by the Loan Documents, and in compliance with all applicable federal, state and local statutes, regulations, ordinances, standards and codes, subject to ordinary wear and tear.

b. **Management.** Borrower shall provide for the management of the Development in a manner satisfactory to IHDA. Any management contract entered into by or on behalf of Borrower involving the Development shall be in form and substance

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acceptable to IHDA. The management of the Development may not be subcontracted, and the managing agent may not be replaced without the prior written consent of IHDA.

c. **Costs of Services, Compensation, Wages, Etc.** Payment for services, supplies or materials shall not exceed the amounts ordinarily paid for such services, supplies or materials in the area where the services are rendered or the supplies or materials are furnished.

d. **Audit.** The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating to it and the books and records relating to the Borrower shall at all times be maintained in reasonable condition for proper inspection and audit, and shall be subject to examination, inspection and copying at any reasonable time, and from time to time, by IHDA or its agents or representatives.

e. **Books and Records.** Upon reasonable notice, Borrower and the other Borrowing Parties shall allow IHDA, its representatives or agents, (i) to inspect the Development at any reasonable time, and from time to time at any time during normal business hours and (ii) to have access to the records and books of account related to the Project and the operation of the Development, including any supporting or related vouchers or papers, kept by or on behalf of Borrower or the other Borrowing Parties and their representatives or agents; such access shall include the right to make extracts or copies of them. All books, records and reports must be retained by Borrower for a period not less than five (5) years after the Maturity Date.

f. **Financial Statement.** Borrower shall provide annual audited financial statements, to the IHDA, for both the Development and for Borrower, no later than ninety (90) days after the end of its fiscal year, commencing with the first fiscal year ending after the Final Closing Date. Such financial statements must be prepared by an independent certified public accounting firm (as approved by IHDA) and prepared in substantially the form acceptable to IHDA and in a manner consistent therewith, or in such form prepared in accordance with generally accepted accounting principles in effect on the date thereof and consistently applied throughout the periods covered by the applicable financial statements. Borrower shall also provide such financial reports, documents and information concerning the Development and/or the Borrower as reasonably requested by IHDA from time to time, including, but not limited to statements of cash flow and income, expense statements, and rent rolls.

g. **Operating Budget.** Within thirty (30) days prior to the beginning of each calendar year, Borrower shall submit to IHDA, for its written approval, a complete annual operating budget for the Development, including rental charges for such calendar year, all in accordance with the requirements of IHDA.

h. **Furnishing Information.** At the request of IHDA, Borrower shall furnish such reports, projections and analyses as required pursuant to the Rules, policies and procedures of IHDA, as amended and supplemented from time to time, and shall give

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specific answers to questions upon which information is desired from time to time relative to the Development's condition, income, assets, liabilities, contracts and operation.

i. **Inspection.** Borrower shall allow IHDA, or its representatives or agents to inspect the Development at any reasonable time and upon reasonable notice, and from time to time.

j. **Compliance with Certain Laws.** Borrower shall comply with the provisions of the Environmental Barriers Act (410 ILCS 25/1 *et seq.*, as amended from time to time), the Illinois Accessibility Code (71 Ill. Adm. Code 400), 47 Ill. Adm. Code 310, Subpart I, as amended from time to time, except as otherwise approved by IHDA, and the Americans With Disabilities Act, 42 U.S.C. 12101 *et seq.*, as amended, if applicable.

8. **Non-Discrimination in Housing.**

a. Borrower shall not, in the selection of Tenants, in the provision of services or in any other manner relating to the construction or operation of the Development discriminate against any person on the grounds of race, color, creed, religion, sex, age, handicap, national origin, ancestry, unfavorable military discharge (as defined in the Illinois Human Rights Act) or familial or marital status, or because the Tenant is receiving governmental assistance.

b. Borrower shall comply with all of the provisions of Paragraph 13 of the Act, and all other provisions of applicable federal, state and local law relative to non-discrimination.

9. **Violation of Agreement by Borrower.** Upon violation of any of the provisions of this Agreement by Borrower, IHDA may give written notice of such violation to Borrower as provided in **Exhibit B** attached hereto and incorporated herein, and Borrower shall then have thirty (30) days to correct or cure it. If such violation is not corrected to the satisfaction of IHDA within thirty (30) days after such notice, IHDA may declare a default under this Agreement; however if such condition is not reasonably curable within thirty (30) days despite Borrower's reasonable efforts to cure it, Borrower shall have one hundred twenty (120) additional days to cure such Default, so long as (i) that cure is commenced within such thirty (30) day period, (ii) Borrower continues to diligently pursue such cure in good faith and (iii) IHDA's security for the Loan is not, in the sole judgment of IHDA, impaired as a result of the existence of such failure; after the expiration of such one hundred fifty (150) day period, IHDA may declare a default under this Agreement, effective on the date of notice of such declaration of default to Borrower, and upon such default, and so long as such default is continuing, IHDA may do the following commencing from the Final Closing Date:

a. Declare the whole of the indebtedness under the Note immediately due and payable and then proceed with the rights and remedies set forth in the Mortgage or any other of the Loan Documents;

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

c. Take possession of the Development, operate it in accordance with the terms of this Agreement and bring any action necessary to enforce any rights of Borrower growing out of its operation until such time as IHDA, in its sole discretion, determines that Borrower 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, the Mortgage and the other Loan Documents;

d. Use and apply any monies deposited by the Borrower with IHDA regardless of the purpose for which the same were deposited, and any other Development accounts (in which IHDA has a security interest), to cure any such Default or to repay any indebtedness under the Loan Agreement or any other Loan Document, or any of Borrower's other financing (with IHDA), which is due and owing to IHDA;

e. Apply to any court, state or federal, for (i) specific performance of this Agreement, (ii) an injunction against any violation of this Agreement, (iii) the appointment of a receiver to take over and operate the Development or (iv) such other relief as may be appropriate. Since the injury to IHDA arising from a default would be irreparable and the amount of damage would be difficult to ascertain, Borrower acknowledges and agrees that IHDA's remedies at law, in the event of a violation of this Agreement, would be inadequate to assure IHDA's public purpose;

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

IHDA's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of IHDA's other remedies. No waiver by IHDA of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach. The failure or delay of IHDA 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. IHDA agrees that any cure made or tendered by Investor Limited Partner shall be accepted or rejected by IHDA on the same basis and within the same time periods as if such cure were made or tendered by the Borrower and if such default is cured by such party, such cure shall be deemed to be a cure by the Borrower.

10. Assignment of Rents for Security. Following the Final Closing Date and subject to the provisions of the Mortgage, as security for the payments due for the Replacement Reserve Account and as security for the other obligations under this Agreement, Borrower assigns, pledges and mortgages to IHDA the rights to the rents, profits, income and charges of whatever sort that they may receive or be entitled to receive from the operation of the Development.

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11. Development Funds and Development Property.

a. The Development and Development Funds are referred to in this Agreement as “Development Property.” Following the Final Closing Date, all Development Funds received by Borrower or its agents shall be deposited in the Development Bank Account. Such deposits shall be invested in accordance with the requirements for deposits and investments as proscribed in the Loan Agreement. Development Funds shall be withdrawn only in accordance with the provisions of this Agreement and shall be disbursed, to the extent available, and applied in the following order of priority;

i. Payment of Operating Expenses, Maintenance Expenses and Administrative Expenses;

ii. Payments into the Tax and Insurance Reserve Account pursuant to the Loan Agreement;

iii. Payments of amounts due under the Note, including principal, interest, late charges and other amounts payable under it;

iv. Payments into any reserve account pursuant to the Loan Agreement (including the replenishment thereof to the minimum amounts for certain reserves as required in the Loan Agreement);

v. Subject to any amounts required to be paid into the Residual Receipts Account pursuant to the Loan Agreement, or by reason of the limitations as found in the Loan Agreement or in **Paragraph 6** hereof, the payment of those items set forth in the definition of Surplus Cash (to the extent not already paid in items i through iv above), including payments of any deferred developer’s fee approved by IHDA and payment of advances to the Development as permitted under the Loan Agreement, and other payments to Borrower as a Distribution, all subject to the Limited Distribution restrictions set forth in the Loan Agreement; and

vi. Payments of amounts due under any permitted subordinate financing.

The foregoing provisions are intended to establish priorities in payment, except as otherwise designated in writing by IHDA.

b. After the application of Development Funds received by Borrower in accordance with the priorities of **Paragraph 11(a)** above, all Development Funds received by IHDA shall also be applied in accordance with the priorities set forth in **Paragraph 11(a)**

c. If Borrower, its principals or its agents receive Development Funds other than by a permitted Distribution or reimbursement of prior advances approved by IHDA

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(other than Project Equity in the Development) with interest on them, the individual or entity receiving such funds shall immediately deposit them into the Development Bank Account; if such individual or entity fails so to do in violation of this Agreement, it shall be deemed to be holding such funds in trust for the Development. If Borrower, its principals or its agents receive Development Property in violation of this Agreement, the individual or entity receiving such Development Property shall immediately deliver it to IHDA; if such individual or entity fails so to do in violation of this Agreement, it shall be deemed to be holding such Development Property in trust. Any such Development Funds or Development Property to be held in trust shall be held for the benefit of IHDA separate and apart from any other funds or property of the possessor.

12. Liability of Borrower – Nonrecourse. Except as otherwise set forth in the Guaranty, Borrower's liability created under this Agreement and the Loan Documents shall be non-recourse and none of the Borrower or the other Borrowing Parties shall have any personal liability for repayment of the Loan. IHDA shall look only to the Development and its reserves and any other funds or letters of credit relating to the Development for repayment of the Loan. The foregoing shall not limit Borrower's nor any Guarantor's liability for damages (excluding any damages solely arising due to and only to the extent resulting from IHDA's gross negligence or willful misconduct) to IHDA as a result of (i) fraudulent acts, or willful and wanton acts or omissions in violation of the provisions of the Loan Documents; (ii) the fair market value of the personalty or fixtures removed or disposed of from the Development in violation of the terms of the Loan Documents; (iii) the misapplication, in violation of the terms of the Loan Documents, of any funds to the full extent of such misapplied funds and proceeds, including, without limitation, any funds or proceeds received under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain; (iv) any misapplication of any security deposits attributable to any leases of Units, or failure to pay interest on such security deposits as required by law; (v) waste committed on the Development to the extent that funds in the Replacement Reserve Account or otherwise available in any property account held by Borrower, are available to remedy such waste and Borrower has failed to remedy the waste despite the written instructions of IHDA; (vi) the occurrence of a Prohibited Transfer (as defined in the Mortgage), without the prior written consent of IHDA; (vii) a written material misrepresentation was made by Borrower or any party in the ownership structure of Borrower, or any employee or agent of Borrower or any other such entity or individual under the control or direction of the Borrower; (viii) a material error or omission was made in the Ownership Structure Certificate; (ix) the Borrower has violated the single asset requirement contained in the Loan Agreement; (x) the Borrower has delivered a false certification in connection with the certifications provided in the Loan Documents; (xi) failure to comply with all Fair Housing and accessibility laws and regulations. Any liability incurred pursuant to this Paragraph shall be the personal liability of the Borrower and the Guarantors. The provisions of this Paragraph shall have no effect on the liabilities and obligations contained in the Environmental Indemnity or Guaranty.

13. Termination of Liabilities. In the event of a sale or other transfer of the Development that is approved by IHDA, all of the duties, obligations, undertakings and liabilities of Borrower and/or such 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

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to be paid or performed by Transferor that occurred prior to such sale or transfer. However, as a condition precedent to the termination of the liability of Transferor under this Agreement, the transferee of the Development (a "New Borrower"), and as a condition precedent to its admission as a New Borrower, shall assume, in writing, on the same terms and conditions as apply under this Agreement to the Transferor, all of the duties and obligations of the Transferor arising under this Agreement from and after such sale or transfer. Such assumption shall be in form and content acceptable to IHDA.

14. Term of Agreement/Covenants Running with Land. The covenants and agreements set forth in this Agreement shall encumber the Development and be binding on the Borrower, New Borrower and any other future owners of the Development and the holder of any legal, equitable or beneficial interest in it until the Maturity Date (as defined in the Note). If the Note is prepaid prior to the Maturity Date with the approval of IHDA, only the covenants and agreements set forth in Paragraphs 3, 4 (b-m), 5 (d-h), 7 (a, b, e, h, i, and j), 8, 9 (e and f) and 12-18 hereof (collectively, the "Continuing Obligations") shall remain in effect for the period of time commencing on the prepayment and ending on the Maturity Date, regardless of whether the Loan is prepaid voluntarily by Borrower or tendered by any party following an acceleration by IHDA of the Note or enforcement by IHDA of its remedies in connection with the Loan.

Borrower expressly acknowledges that its undertakings and agreements stated in this Agreement are given to induce IHDA to make the Loan and that, even if the Loan have been repaid prior to the Maturity Date (as defined in the Note), or paid on the Maturity Date, the Borrower's undertaking to perform the Continuing Obligations for the period set forth in this Paragraph, and the Borrower's agreement to terms described in the following paragraph, are conditions precedent to the willingness of IHDA to make the Loan.

Upon (i) a sale, transfer or other conveyance of the Development (including, without limitation, foreclosure or transfer by deed in lieu), (ii) an assignment, sale, transfer or other conveyance of any partnership interest in Borrower or non-controlling, non-management member interest in the Member, as applicable, (iii) a prepayment (whether partial or in full, and other than a regularly scheduled payment or for prepayments with casualty/condemnation proceeds) of the amounts due under the Note, the Mortgage and the other Loan Documents, or (iv) subject to any notice and applicable cure periods, a Default under this Agreement or any of the other Loan Documents, then any funds remaining in all escrows, including any tax and insurance escrows, replacement reserve accounts, any funds remaining in the Residual Receipts Account and any undistributed Surplus Cash must be first used to pay off any amount due under the Loan and then under all of Borrower's (or its affiliates') other outstanding financing with IHDA. Any remaining balance shall be remitted to Borrower, at IHDA's sole discretion, except when the Loan is prepaid in full, then such remaining balance will be remitted to Borrower without IHDA's approval or discretion.

15. Indemnification of IHDA. Borrower and Guarantor agree to protect, defend, indemnify and hold IHDA, its members, directors and employees harmless from and against any and all losses, liabilities, damages, demands, actions, suits, claims, liens, judgments, expenses, fees and costs (including, without limitation, court costs and reasonable attorneys' fees) arising

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out of or relating to (i) IHDA's entering into or carrying out the terms of this Agreement or being the holder of the Note or the mortgagee under the Mortgage, or (ii) the exercise of any of IHDA's rights or remedies under any of the Loan Documents or (iii) any injury or damage to person or property occurring on or about the Development. This obligation of Borrower and Guarantor shall survive the repayment or cancellation of the Loan but shall not apply to claims (i) where the liability, damage or loss is a direct result and only to the extent of IHDA's gross negligence or willful misconduct, or (ii) solely arising after IHDA has acquired control over the Development as a result of a foreclosure or a deed in lieu of a foreclosure. In connection with the indemnity granted in this Paragraph, Borrower and Guarantor further agree that IHDA, if it so chooses, shall have the right to select its own counsel with respect to any such claims.

16. Miscellaneous.

a. Amendment of Agreement. This Agreement shall not be altered or amended except in a writing executed by all of the parties hereto.

b. Execution of Conflicting Documents. Borrower warrants that it has not, and will 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 will be paramount and controlling as to the rights and obligations set forth in it and will supersede any other requirements in conflict with this Agreement; however, to the extent this Agreement conflicts with any provisions or requirements set forth in the Mortgage or the Note, the document selected by IHDA shall prevail and control. Notwithstanding anything to the contrary in this Paragraph 16, to the extent that this Agreement conflicts with the requirements of the Internal Revenue Code Section 42 requirements set forth in the Extended Use Agreement, the requirements contained in the Extended Use Agreement shall prevail and control.

c. 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.

d. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, their legal representatives, executors, administrators, successors in office or interest and assigns; however, Borrower shall not assign this Agreement or any of its obligations under it without the prior written approval of IHDA.

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

f. **Recording Agreement.** Borrower agrees and assumes the obligation to have this Agreement recorded, prior to the recordation of the Mortgage, in the appropriate land records in the jurisdiction in which the Development is situated. If Borrower fails to do so, IHDA may have it recorded at the expense of Borrower.

g. **Election of IHDA's Remedies.** IHDA's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of IHDA's other remedies.

h. **Waiver by IHDA.** No waiver by IHDA of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

i. **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.

j. **Third Parties.**

i. The parties do not intend this Agreement to inure to the benefit of any third party, including, but not limited to, contractors, subcontractors, management and marketing agents and creditors of Borrower or the Development.

ii. Borrower agrees that IHDA is intended to be a direct beneficiary of all agreements connected with the Development to enable IHDA to carry out its statutory purpose of providing decent, safe and sanitary housing to persons and families of very low or low income in the State of Illinois. Borrower therefore intends that all agreements connected with the Development to which either or both are a party shall inure to the benefit of IHDA, even if IHDA is not a party to such agreements, but do not intend that such agreements inure to the benefit of any other third party.

k. **Notices.** Notices under this Agreement shall be given as provided in **Exhibit B** attached to and made a part hereof.

17. **Counterparts.** This Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which shall constitute one and the same instrument with the same effect as if all parties had signed the same signature page.

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18. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND IHDA HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN BORROWER AND IHDA ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO PAYEE TO PROVIDE THE FINANCING EVIDENCED BY THIS AGREEMENT.

[SIGNATURE PAGE TO FOLLOW]

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[SIGNATURE PAGE TO FOLLOW]

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

BORROWER:

OAK FOREST HORIZON LIMITED PARTNERSHIP,
an Illinois limited partnership

By: OAK FOREST HORIZON, INC.,
an Illinois corporation

By: Elizabeth M. Demes
Name: Elizabeth M. Demes
Its: Vice President

IHDA:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY,
a body politic and corporate

By: _____
Name: _____
Its: _____

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

BORROWER:

OAK FOREST HORIZON LIMITED PARTNERSHIP,
an Illinois limited partnership

By: OAK FOREST HORIZON, INC.,
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By: _____
Name: Elizabeth M. Demers
Its: Vice President

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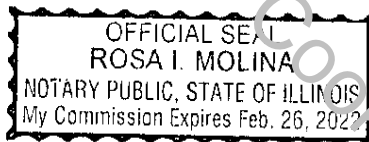
By: _____
Name: **Maureen G. Ohle**
Its: **GENERAL COUNSEL**

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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 Elizabeth M. Demus, personally known to me to be the Vice President of Oak Forest Horizon, Inc. and personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed and delivered the said instrument in his/her/their capacity as Vice President of Oak Forest Horizon, Inc., as his/her/their free and voluntary act and deed and as the free and voluntary act and deed of Elizabeth M. Demus, for the uses and purposes therein set forth.

Given under my hand and official seal this 19th day of April, 2021.



Rosa I. Molina
 Notary Public

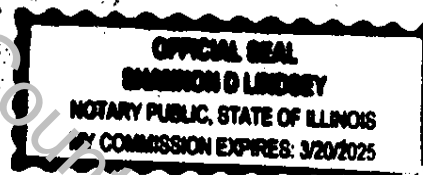
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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Maureen G. Ohle, personally known to me to be the General Counsel of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, 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/she signed and delivered the said instrument in his/her capacity as General Counsel of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** as his/her 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 15 day of APRIL, 2021..

Shannon D. Lindsey
 Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: LOTS 1, 2 AND THE NORTH 1/2 OF LOT 3 (EXCEPTING THE EAST 17 FEET THERE FROM OF SAID LOTS) IN BLOCK 24 IN ARTHUR T. MCINTOSH'S ADDITION TO MIDLOTHIAN FARM BEING A SUBDIVISION OF THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 AND THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 9 AND THE WEST 1/2 OF THE SOUTH WEST 1/4 AND THE WEST 33/80TH OF THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 10, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN: 28-09-404-078 AND 28-09-404-015

COMMON ADDRESS: 14904 AND CICERO AVENUE, OAK FOREST, ILLINOIS

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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 IHDA:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attention: Director, Multifamily Financing

with a copy to:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attention: General Counsel

If to Borrower:

Oak Forest Horizon Limited Partnership
c/o The Alden Foundation
4200 W. Peterson Avenue
Chicago, Illinois 60646
Attention: Elizabeth M. Demes

with a copy to:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Diane K. Corbett, Esq.

In connection with a courtesy copy, IHDA will exercise reasonable efforts to provide copies of any notices given to Borrower; however, IHDA's failure to furnish copies of such notices shall not limit IHDA's exercise of any of its rights and remedies under any document evidencing, securing or governing the loan from IHDA to the Borrower, or affect the validity of the notice.

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Such addresses may be changed by notice to the other party given in the same manner as provided in this Exhibit. Any notice, demand, request or other communication sent pursuant to subparagraph (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subparagraph (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 subparagraph (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

Property of Cook County Clerk's Office

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EXHIBIT C

FORM OF CERTIFICATION REGARDING SURPLUS CASH AND ALLOWABLE DISTRIBUTIONS

The Borrower certifies that the Development has distributed Surplus Cash (as defined in the Regulatory Agreement) in accordance with the Regulatory Agreement. Borrower further certifies that the information and calculations set forth below are true and accurate.

SCHEDULE OF SURPLUS CASH AND ALLOWABLE DISTRIBUTIONS AS OF DECEMBER 31, 20__

A - Surplus Cash Computations:

Cash - Development Accounts		\$
Receivables - Tenant	\$	
HUD	\$	
Due from Affiliates (Project Only)		\$
Prepaid Expenses: Taxes	\$	
Sundry	\$	
Deposit Held in Trust for Tenant's Security Deposit		\$
Accrued Interest Receivable:		
Replacement Reserve	\$	
Tax & Insurance Reserve	\$	
Development Cost Escrow	\$	
Others	\$	
Other, Due within 60 Days:		
Insurance Claims	\$	
Transfer to Partnership Accounts	\$	
	\$	
	\$	
Less: Accounts Payable - Trade	(\$)
Rents Received in Advance	(\$)
Delinquent Mortgage Payments & Escrow Deposit	(\$)
Tenant's Deposits (Including Accrued Interest)	(\$)
Accrued Expenses Not Escrowed (Project Only)	(\$)
Due to Affiliate (Project Only)	(\$)
	(\$)
	(\$)
Total Deductions	\$	
Surplus (Deficit) Cash	\$	

Exhibit C
Regulatory Agreement
(Affordable Advantage)

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B - Allowable Distribution Computation:

Project Equity per Final Closing Documents		\$
Allowable Rate of Return or Limited Distribution Allowed		_____
Current Year Allowable Distribution		\$
Cumulative Allowable Unpaid		\$
Distribution at Dec. 31, 20____	\$	
Less: Distributions Paid During 20____	(\$_____)	\$_____
TOTAL CUMULATIVE ALLOWABLE AND UNPAID		
DISTRIBUTION AT DECEMBER 31, 20____		\$_____

OAK FOREST HORIZON LIMITED PARTNERSHIP,
an Illinois limited partnership

By: OAK FOREST HORIZON, INC.,
an Illinois corporation

By: _____
Name: Elizabeth M. Demes
Its: Vice President

Date: _____