

# UNOFFICIAL COPY

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This document prepared by:  
Monica M. Monroe, Esq.  
Room 511  
121 North LaSalle Street  
Chicago, Illinois 60602

## DECLARATION OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT

THIS DECLARATION OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT (including the Exhibits attached hereto), dated as of August 15, 1991 (this "Regulatory Agreement"), by and between the CITY OF CHICAGO, ILLINOIS (the "City"), an Illinois municipal corporation, through its Department of Housing ("DOH"), with offices at 318 South Michigan Avenue, Chicago, Illinois 60604, and Austin Mutual Limited Partnership, an Illinois limited partnership (the "Borrower"), having its offices at c/o T.N.I. Development Corporation, 1750 East 71st Street, Chicago, Illinois 60649.

### W I T N E S S E T H

WHEREAS, DOH has as its primary purpose the creation of safe, decent and affordable housing for residents of the City; and

WHEREAS, the Borrower has proposed to rehabilitate multi-family rental units at 5501-5503 West Congress Parkway, 5447-5453 West Quincy Street and 5040-5044 West Quincy Street, Chicago, Illinois 60644 as legally described in Exhibit A attached hereto (the "Project"), where upon completion of rehabilitation, there shall be 41 multi-family residential dwelling units, occupied by individuals or families qualifying as Lower-Income Tenants (as hereinafter defined); and

WHEREAS, the City intends to loan \$759,066 to the Borrower (the "Loan") to assist in the financing of the Project; and

WHEREAS, as a specific condition precedent to the Borrower's receiving the Loan, the Borrower has agreed to execute this Regulatory Agreement with the City governing the tenant occupancy of, and use restrictions upon, the dwelling units reserved for Lower-Income Tenants;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Borrower and the City each agree as follows:

### SECTION 1. DEFINITIONS AND INTERPRETATIONS.

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise: "Act" shall mean the Housing and Community Development Act of 1974, 42 U.S.C. §5301 et

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seq., as amended.

"Affordable Rent" shall mean the rent amounts determined by the City for rental housing pursuant to 24 C.F.R. §570.208(a)(3), as may be adjusted for unit size.

"Borrower" shall mean, initially, Austin Mutual Limited Partnership, an Illinois limited partnership, and at any subsequent time of reference, the person or persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"CDBG Funds" shall mean Community Development Block Grant funds awarded by HUD under the Act.

"Certificate of Continuing Program Compliance" shall mean the certificate from the Borrower in substantially the form set forth in Exhibit B hereto and made a part hereof, as the same may be amended from time to time.

"Code" shall mean the Internal Revenue Code of 1986, and all applicable regulations or rulings thereunder, as amended and supplemented.

"Gross Rent" shall have the meaning assigned to such term in Section 42(g) of the Code.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Imputed Income Limitation" shall have the meaning assigned to such term in Section 42(g) of the Code.

"Income Computation Certificate" shall mean the certificate in substantially the form set forth in Exhibit C hereto and made a part hereof.

"Income Limit" shall mean (i) prior to the Section 42 Termination Date, 60% and (ii) on or after the Section 42 Termination Date, 80% of the area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

"Junior Lender" shall mean the Illinois Housing Development Authority, its successors and assigns.

"Junior Loan" shall mean a loan by the Junior Lender to the Borrower in the principal amount of \$336,811 for financing a portion of cost of the project.

"Junior Mortgage" shall mean that certain Third Mortgage dated of even date herewith from the Borrower to the Junior

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Lender securing the repayment of the Junior Loan, as amended and supplemented.

"Junior Regulatory Agreement" shall mean that Regulatory and Land Use Restriction Agreement dated of even date herewith from the Borrower to the Junior Lender, as supplemented and amended.

"Loan Agreement" shall mean the Housing Loan Agreement, dated of even date herewith, between the City and the Borrower with respect to the Loan, as amended and supplemented.

"Lower-Income Tenants" shall mean and include individuals, groups of unrelated persons or families whose adjusted annual income does not exceed the Income Limit.

"Mortgage" shall mean that certain Junior Mortgage and Security Agreement dated of even date herewith from the Borrower to the City securing repayment of the Loan, as supplemented and amended.

"Person" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project Term" shall mean the number of years during which the 41 units specified as to be occupied by Lower-Income Tenants must be occupied by or available for occupancy to Lower-Income Tenants. The Project Term shall begin on the date hereof and shall continue for a period of 31 years, except as provided in Section 5.2 hereof.

"Regulatory Agreement" shall mean this Declaration of Restrictive Covenants and Regulatory Agreement, as supplemented and amended.

"Section 42 Termination Date" shall mean the date specified in Section 42(h)(6)(D)(ii)(II) of the Code; provided, however, that if DOH has not presented a "qualified contract" (as defined in Section 42(h)(6)(F) of the Code) by the end of the period provided in Section 42(h)(6)(I) of the Code, "Section 42 Termination Date" shall mean the date specified in Section 42(h)(6)(E)(i)(II) of the Code.

"Senior Lender" shall mean The First National Bank of Chicago, its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$727,260 for financing a portion of cost of the Project.

"Senior Mortgage" shall mean that certain Construction Mortgage, Personal Property, Security Agreement and Assignment of Leases and Rentals from the Borrower to the Senior Lender securing repayment of the Senior Loan, as supplemented and

amended.

"State" shall mean the State of Illinois.

SECTION 2. BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Borrower hereby represents, warrants, covenants and agrees as follows:

2.1 The Project shall be acquired, constructed and rehabilitated for the purpose of providing residential rental property, and the Borrower shall own, manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.2 The Project shall consist of residential units, together with facilities functionally related and incidental thereto, and which units are similar in quality and type of construction and amenities.

2.3 Each residential unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

2.4 None of the residential units in the Project shall at any time be used on a transient basis, and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

2.5 The residential units in the Project shall be made available for lease by members of the general public and the Borrower shall not give preference in renting residential units in the Project to any particular class or group of persons other than Lower-Income Tenants as provided herein.

2.6 The Project shall consist of the following unit configuration for Lower-Income Tenant households:

<u>Number of Bedrooms</u>	<u>Number of Rental Units</u>
1	12
2	22
3	4
4	3

2.7. The Borrower shall not convert any units in the Project to condominium ownership or to a form of cooperative ownership that is not eligible to receive CDBG Funds from HUD.

2.8 The Borrower shall not discriminate against prospective

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tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local housing assistance program or on the basis that they have a minor child or children who will be residing with them.

2.9 All of the units described in Section 2.6 above shall be occupied or available for occupancy by Lower-Income Tenants, subject to Section 2.12 hereof.

2.10. All of the residential units in the Project shall be leased only to tenants who are Lower-Income Tenants at the time of initial occupancy by such Lower-Income Tenants.

2.11 Prior to the Section 42 Termination Date, the Gross Rent charged each month for any residential unit located in the Project shall not exceed at any time 30% of the Imputed Income Limitation applicable to such unit. On or after the Section 42 Termination Date, the rent charged each month for any residential unit located in the Project shall not exceed at any time the Affordable Rent for such unit; provided, however, that following the Section 42 Termination Date, the rent increase restriction contained in Section 42(h)(6)(E)(ii) of the Code shall apply to each residential unit located in the Project.

2.12. (a) For purposes of satisfying the requirements set forth in Section 2.9 above, a unit occupied by Lower-Income Tenants whose income has exceeded the applicable Income Limit after initial occupancy of such unit by such Lower-Income Tenant shall, subject to paragraph (b) of this Section, be deemed to comply with Section 2.9 hereof if the rent for such unit complies with Section 2.11 hereof.

(b) A unit (the "Unit") occupied by a Lower-Income Tenant whose income has increased above 140% of the Income Limit shall be deemed to comply with Section 2.9 hereof if the rent for the Unit complies with Section 2.11 hereof but only if the next available unit in the Project of a comparable size with or smaller than the Unit is occupied by a new tenant who is a Lower-Income Tenant.

2.13. The Borrower shall include in leases for all units provisions which authorize the Borrower to immediately terminate the tenancy of any tenant who misrepresented any fact material to the tenant's qualification as a Lower-Income Tenant.

2.14. All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. If the Borrower employs a management agent for the Project, the Borrower shall require such agent to comply with the requirements

of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project.

2.15. All tenant leases shall be written, shall be for a period of not less than six months and shall contain clauses, inter alia, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Computation Certificate and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Borrower, the City or HUD, and that the failure to provide accurate information in the Income Computation Certificate or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.16. The Borrower shall obtain and maintain on file during the Project Term a sworn and notarized Income Computation Certificate with respect to each and every individual, group of unrelated persons or family who is intended to be a Lower-Income Tenant, signed by the tenant or tenants (i.e., the person or persons whose name or names appears on the lease) and obtained by the Borrower prior to such tenant or tenants occupying the unit or signing a lease with respect thereto, as required by the City and the Regulations.

2.17. The Borrower shall prepare and submit to the City at the beginning of the Project Term and, on or before the first day of January of each year during the Project Term, a Certificate of Continuing Program Compliance executed by the Borrower.

2.18. The Borrower shall notify the City of the occurrence of any event of which the Borrower has notice and which event would violate any of the provisions of this Regulatory Agreement.

### SECTION 3. RELIANCE.

The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all parties. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and Lower-Income Tenants and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion.

### SECTION 4. SALE OR TRANSFER OF THE PROJECT.

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The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including without limitation, a transfer by assignment of any beneficial interest under a land trust), at any time during the Project Term, except as expressly permitted by the Mortgage. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 4 shall be null, void and without effect, shall cause a reversion of title to the Borrower or any successor or assignee of the Borrower last permitted under the Mortgage, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

## SECTION 5. TERM.

5.1 This Regulatory Agreement shall become effective upon its execution and delivery. This Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

5.2 (a) Subject to paragraph (b) of this Section, the covenants and restrictions contained herein shall cease, upon any of the following events:

(1) foreclosure of the Senior Mortgage, the Mortgage or the Junior Mortgage or any other mortgage of record on the Project or the transfer of the Project by an instrument in lieu of foreclosure; provided, however, that any such foreclosure or transfer occurring prior to the Section 42 Termination Date shall not terminate the covenants and restrictions contained herein if the Internal Revenue Service determines that such foreclosure or transfer is part of an arrangement with the Borrower a purpose of which is to terminate the "extended use period" (as defined in Section 42(h)(6)(D) of the Code); or

(2) the later of (i) the Section 42 Termination Date, or (ii) the date of repayment in full of the Loan.

(b) If the covenants and restrictions contained herein shall terminate on or prior to the Section 42 Termination Date, such termination shall not be construed to permit prior to the end of the three-year period following such termination: (i) the eviction or termination of the tenancy (other than for good cause) of any Lower-Income Tenant, or (ii) any increase in the Gross Rent charged to any Lower-Income Tenant not otherwise permitted under Section 42 of the Code.

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## SECTION 6. ENFORCEMENT.

6.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 60 days or more, the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Borrower of its obligations hereunder.

No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recovery for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

6.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 6 shall be the sole responsibility of the Borrower.

6.3. To the extent permitted by law, all persons who are or may qualify as Lower-Income Tenants with respect to the Project (whether as prospective, present or former tenants of the Project) shall have the right to enforce in any court of the State the requirement of Section 2.9 hereof and the terms of Section 5.2(b) hereof.

## SECTION 7. RECORDING AND FILING.

The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording and filing.

## SECTION 8. COVENANTS TO RUN WITH THE LAND.

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the of, and is bound by, such restrictions, and to obtain from any

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transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided however, each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. In the event that such covenants, reservations and restrictions terminate pursuant to the provisions of Section 5.2, the City upon such termination and upon written notice from the Borrower, the Senior Lender or the Junior Lender, shall promptly record a release of this Regulatory Agreement, at the expense of the party requesting such release.

## SECTION 9. GOVERNING LAW.

This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State of Illinois and, where applicable, the laws of the United States of America.

## SECTION 10. AMENDMENTS.

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located.

## SECTION 11. NOTICE.

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified, first class mail, return receipt requested.

CITY: City of Chicago, Illinois  
c/o Department of Housing  
318 South Michigan Avenue  
Chicago, Illinois 60604  
Attention: Commissioner

WITH COPIES TO: Department of Finance  
City of Chicago  
121 North LaSalle Street, Room 501  
Chicago, Illinois 60602  
Attention: Comptroller

and

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Office of the Corporation Counsel  
City Hall, Room 511  
Chicago, Illinois 60602  
Attention: Finance and Economic  
Development Division

BORROWER:

c/o TNI Development Corporation  
1750 East 71st Street  
Chicago, Illinois 60649  
Attention: Dorris J. Pickens

WITH COPIES TO:

Keck, Mahin & Cate  
233 South Wacker Drive, 83rd Floor  
Chicago, Illinois 60606-6589  
Attention: Thomas Thorne-Thomsen,  
Esq.

and

Chicago Equity Fund 1990  
Partnership  
c/o Chicago Equity Fund, Inc.  
24 West Erie Street  
Chicago, Illinois 60610  
Attention: Nicholas Shapiro

Hollob & Coff  
55 East Monroe Street, Suite 4100  
Chicago, Illinois 60603  
Attention: Jeffrey Kuta, Esq.

IF TO SENIOR LENDER:

The First National Bank of Chicago  
One First National Plaza  
Neighborhood Banking Division  
Mail Suite - 0289  
Chicago, Illinois 60670-0289  
Attention: Doris K. Wilson

WITH COPIES TO:

The First National Bank of Chicago  
One First National Plaza  
Construction Loan Administration  
Mail Suite 0151  
Chicago, Illinois 60670-0151  
Attention: Ray Best

and

Hopkins & Sutter  
Three First National Plaza  
Chicago, Illinois  
Attention: Elvin E. Charity, Esq.

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IF TO JUNIOR LENDER: Illinois Housing Development  
Authority  
401 North Michigan Avenue  
Suite 900  
Chicago, Illinois 60611  
Attention: Legal Department

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (d) shall be deemed received 48 hours following deposit in the mail.

## SECTION 12. SEVERABILITY.

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereby shall not in any way be affected or impaired thereby.

## SECTION 13. FAILURE TO MAKE LOAN.

In the event that the City does not make the Loan to the Borrower, as contemplated hereby, the covenants and restrictions contained herein shall cease forthwith, and this Regulatory Agreement shall be deemed null and void ab initio.

## SECTION 14. COUNTERPARTS

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

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IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through its Department of Housing

By: [Signature]  
Commissioner

AUSTIN MUTUAL LIMITED PARTNERSHIP

ATTEST:

By: TNI Development Corporation,  
its managing partner

By: \_\_\_\_\_

By: Sinda K. Greene

Its: \_\_\_\_\_

Its: Vice President

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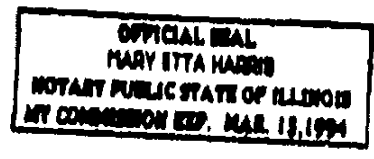
STATE OF ILLINOIS   )  
   )  
   ) SS  
 COUNTY OF COOK        )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Michael F. Schubert personally known to me to be the Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") 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 as such he signed and delivered the said instrument pursuant to authority, as his free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 15<sup>th</sup> day of August, 1991.

Mary Etta Harris  
 Notary Public

My Commission Expires: (SEAL)  
3-13-94



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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

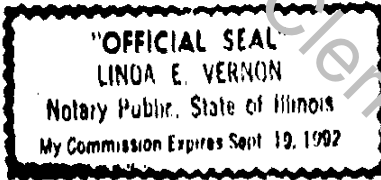
I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Linda E. Vernon, personally known to me to be the Vice President of TNI Development Corporation, an Illinois corporation and managing partner of Austin Mutual Limited Partnership, an Illinois limited partnership, and N/A, personally known to me to be the N/A of TNI Development Corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and N/A, they signed and delivered the said instrument and caused the corporate seal of TNI Development Corporation to be affixed thereto, pursuant to authority given by the Board of Directors of TNI Development Corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation and said partnership for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 17 day of August, 1997.

Linda E. Vernon  
Notary Public

(SEAL)

My Commission Expires:  
\_\_\_\_\_



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## EXHIBIT A

### Legal Description

#### PARCEL 1:

LOT 25 AND LOT 26 (EXCEPT THE WEST 11 FEET THEREOF) IN BRITIGAN'S HARRISON STREET AND CENTRAL AVENUE SUBDIVISION OF LOTS 141, 142, 143, AND 144 (EXCEPT STREET) IN SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

#### PARCEL 2:

LOT 1 IN JOHN J. LYON'S SUBDIVISION OF LOT 122 (EXCEPT THE NORTH 33 FEET) IN SCHOOL TRUSTEES SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

#### PARCEL 3:

THE WEST 50 FEET OF THE LAST 445 FEET (EXCEPT THE NORTH 8 FEET THEREOF DEDICATED FOR A PUBLIC ALLEY) OF LOT 38 (EXCEPT PART TAKEN FOR STREET) IN SCHOOL TRUSTEES' SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

#### COMMON ADDRESSES:

5501-5503 WEST CONGRESS PARKWAY  
5447-5453 WEST QUINCY STREET  
5040-5044 WEST QUINCY STREET

#### PERMANENT INDEX NUMBERS:

16-16-120-023 Vol. 564  
16-16-110-001 Vol. 564  
16-16-207-021 Vol. 565

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EXHIBIT B

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, being \_\_\_\_\_ of \_\_\_\_\_ (the "Borrower"), has read and is thoroughly familiar with the provisions of the various loan documents associated with the loan by the City of Chicago, Illinois (the "City") to the Borrower in connection with the property located at 5501-5503 West Congress Parkway, 5447-5453 West Quincy Street and 5040-5044 West Quincy Street, Chicago, Illinois 60644 (the "Project"), such documents including:

1. The Declaration of Restrictive Covenants and Regulatory Agreement (the "Regulatory Agreement") dated as of \_\_\_\_\_, 1991, between the Borrower and the City;
2. The Housing Loan Agreement dated as of \_\_\_\_\_, 1991 between the Borrower and the City; and
3. The Note dated \_\_\_\_\_, 1991, executed by the Borrower representing the Borrower's obligation to repay the loan made to it by the City pursuant to the Housing Loan Agreement described above.

As of the date of this certificate, the following number of completed residential units in the Project (i) are occupied by "Lower-Income Tenants" (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Lower-Income Tenants and have been vacant for no more than 31 days, as indicated:

Occupied by Lower-Income Tenants Units	_____ No. of
Previously occupied by Lower-Income Units Tenants (vacated and not re-occupied except for a temporary period of no more than 31 days)	_____ No. of
	_____ Total

The total number of completed residential units in the Project is \_\_\_\_\_.

The total number of units occupied or previously occupied by



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Lower-Income Tenants as shown above is \_\_\_\_% of the total number of occupied units.

The undersigned hereby certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

By: \_\_\_\_\_  
Authorized Borrower  
Representative

Property of Cook County Clerk's Office

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## EXHIBIT C INCOME COMPUTATION CERTIFICATE

RE: 5501-5503 West Congress Parkway  
Chicago, Illinois 60644

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Name of Tenant (i.e., person(s)  
whose name appears on the lease) \_\_\_\_\_

Address of Apartment:  
\_\_\_\_\_

Apartment Number \_\_\_\_\_

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Tenant Income Computation Certificate at the time you sign your lease.

### CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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## EXHIBIT C INCOME COMPUTATION CERTIFICATE

RE: 5447-5453 West Quincy Street  
Chicago, Illinois 60644

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Name of Tenant (i.e., person(s)  
whose name appears on the lease) \_\_\_\_\_

Address of Apartment:  
\_\_\_\_\_

Apartment Number \_\_\_\_\_

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Tenant Income Computation Certificate at the time you sign your lease.

### CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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EXHIBIT C  
INCOME COMPUTATION CERTIFICATE

RE: 5040-5044 West Quincy Street  
Chicago, Illinois 60644

Name of Tenant (i.e., person(s)  
whose name appears on the lease) \_\_\_\_\_

Address of Apartment: \_\_\_\_\_

Apartment Number \_\_\_\_\_

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Tenant Income Computation Certificate at the time you sign your lease.

CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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## Income Computation (Anticipated Incomes)

<u>Name of Members of the Household</u>	<u>Relation-ship to Head of Household</u>	<u>Age (if 18 or under)</u>	<u>Social Security Number</u>	<u>Place of Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

1. On the lines below, indicate the anticipated income from the sources received by the family head and spouse (even if temporarily absent and by each additional member of the family over the age of 18 during the 12-month period beginning this date, including.

- A. Annual Wages and Salary, including, before payroll deduction, all wages and salaries, overtime pay, commissions, fees, tips and bonuses;

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B. Other Income, including but not limited to:

- (i) net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family,
- (ii) interest, dividend, or the net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (B)(i) above of this Section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- (iii) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- (iv) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (v) Public Assistance. If the public assistance payment includes amount specifically designed for shelter and utilities that is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance to be included as income shall consist of: (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the public assistance agency could in fact allow the family for shelter and utilities. If the family's public assistance is ratably reduced for the standard of need by applying a

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percentage, the amount calculated shall be the amount resulting from the one application of the percentage;

- (vi) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling;
- (vii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is a member of the family; and
- (viii) any earned income tax credit to the extent it exceeds income tax liability.

Please note however, the following types of income should be excluded:

- (i) income from employment of children (including foster children) under the age of 18 years;
- (ii) casual, sporadic or irregular income, including gifts;
- (iii) amounts which are specifically for or in reimbursement of medical expenses;
- (iv) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (v) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student, but in either case only to the extent used for such purposes;
- (vi) special pay to a serviceman head of a family and exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aide;
- (ix) amounts received under training programs;

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- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (xi) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out of pocket expenses incurred and which are made solely to allow participation in a specific program;
- (xii) amounts specifically excluded by other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. Federal programs under this section include, but are not limited to:
- (a) the value of the allotment made under the Food Stamp Act of 1977;
  - (b) payments received under Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, Senior Companions);
  - (c) payments received under Alaskan Native Claims Settlement Act;
  - (d) payment from certain submarginal U.S. land held in trust for certain Indian tribes;
  - (e) payments, rebates or credits received under the Department of Health and Human Services, Low-Income Home Energy Assistance Programs, including any winter differentials given to elderly;
  - (f) payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans, migrant and seasonal farm workers, Job Corps, Veteran employment program, State job training programs, career intern programs);

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- (g) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970;
- (h) income derived from the disposition of funds of the Grand River Bank of Ottawa Indians;
- (i) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of claims or from funds held in trust for an Indian tribe by the Secretary of the Interior;
- (j) amount of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution;
- (k) payments received from programs funded under Title V of the Older Americans Act of 1965;
- (l) Agent Orange Settlement Payments to a maximum of \$12,790 per service person or a survivor's benefit of up to \$3,400.

<u>Name</u>	<u>Annual Wages/ Salary</u>	<u>Other Income</u>	<u>Total Income</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Capital Assets)

2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital

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investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:

- a. the total value of all such assets owned by all such persons: \$ \_\_\_\_\_,
- b. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ \_\_\_\_\_, and
- c. the amount of such income which is included in item (1): \$ \_\_\_\_\_.

(Students)

3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?  
Yes \_\_\_\_\_ No \_\_\_\_\_
- b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?  
Yes \_\_\_\_\_ No \_\_\_\_\_

I acknowledge that all of the above information is relevant to the status of the funds provided through the U.S. Department of Housing and Urban Development to finance rehabilitation of the apartment for which application is being made. I consent to the disclosure of such information to the City and HUD and any agent acting on their behalf.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at Chicago, Illinois.

\_\_\_\_\_  
TENANT

Residing in Apt. No. \_\_\_\_\_

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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ personally  
appeared before me \_\_\_\_\_, the signer of  
the above certification, who duly acknowledged to me that he/she  
executed the same.

\_\_\_\_\_

(SEAL)

NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_

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## FOR COMPLETION BY BORROWER ONLY:

1. Calculation of eligible income:
  - a. Total amount entered for entire household in 6 above: \_\_\_\_\_
  - b. If the amount entered in 7.a above exceeds \$5,000, enter the greater of (i) the amount entered in 7.b less the amount entered in 7.c and (ii) passbook savings rate as designated by HUD multiplied by of the amount entered in 7.a:  
entered in 7.a: \_\_\_\_\_
  - c. TOTAL ELIGIBLE INCOME  
(Line 1.a plus line 1.b): \_\_\_\_\_

2. The amount entered in 1.c is: (place "x" on appropriate line)

\_\_\_\_\_ Loss than \$ \_\_\_\_\_ which is the maximum income at which a household of \_\_\_\_\_ persons may be determined to be a Lower-Income Tenant as that term is defined in the Declaration of Restrictive Covenants and Regulatory Agreement dated as of \_\_\_\_\_ between the City of Chicago, Illinois and \_\_\_\_\_ (the "Regulatory Agreement").

\_\_\_\_\_ More than the above-mentioned amount.

3. Number of apartment unit assigned: \_\_\_\_\_
4. This apartment unit (was/was not) last occupied for a period of 31 consecutive days by a person or persons whose Total Eligible Income, as certified in the above manner, was equal to or less than the amount at which a person would have qualified as a Lower-Income Tenant under the terms of the Regulatory Agreement. It had been vacant for \_\_\_\_\_ days.
5. The number of units in the Project which are presently occupied is \_\_\_\_\_.
6. The number of units occupied by Lower-Income Tenants (i.e., occupants' anticipated income does not exceed \$ \_\_\_\_\_ based upon Income Computation Certifications on file, as adjusted for family and unit size) is \_\_\_\_\_. The number of units which were

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previously occupied by Lower-income Tenants but have been vacated and have not been re-occupied (other than for a temporary period of no more than 31 days) is \_\_\_\_\_. The sum of the units described in this paragraph 6 is equal to \_\_\_\_% of the total number of occupied units from paragraph 5 above.

7. The number of units occupied by persons whose total anticipated income does not exceed \$\_\_\_\_\_ (as adjusted for family and unit size) is \_\_\_\_\_ which is equal to \_\_\_\_% of the total number of occupied units.

Applicant:

\_\_\_\_\_ Qualifies as a Lower-Income Tenant.

\_\_\_\_\_ Does not qualify as a Lower-Income Tenant.

\_\_\_\_\_  
BORROWER

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Property of Cook County Clerk's Office

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IN DUPLICATE

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AUG 15 PM 3:25  
REGISTRAR OF TITLES  
CAROL MOSELEY BRAIN

3988233

4100

COOK COUNTY RECORDER

DEPT-01 RECORDING  
#143 # \* 16  
\$41.00  
8/15/91 15:25:00

DEPT-01 RECORDING  
CUSTOWSKI

T. H. Sellers  
Box 436  
Whitewater, IL 60189

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## CONSTRUCTION MORTGAGE

### PERSONAL PROPERTY, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTALS

THIS MORTGAGE made this <sup>15<sup>th</sup></sup> day of August, 1991 by AUSTIN MUTUAL LIMITED PARTNERSHIP, an Illinois limited partnership, (herein called "Mortgagor"), having its principal office c/o The Neighborhood Institute, Inc., 1750 E. 71st Street, Chicago, Illinois, 60649 to THE FIRST NATIONAL BANK OF CHICAGO, (the "Mortgagee"), a national banking association, organized and existing under the laws of the United States of America, having its principal office at One First National Plaza, Chicago, Illinois 60602.

#### WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of Seven Hundred Twenty Seven Thousand Two Hundred Sixty and No/100 United States Dollars (U.S. \$727,260.00) or so much thereof as may be disbursed and outstanding from time to time pursuant to a Rehabilitation Loan Agreement ("Loan Agreement") between Mortgagor and Mortgagee, of even date herewith, plus interest in the amount as provided in and evidenced by a Promissory Note (the "Note") executed by Mortgagor to the order of Mortgagee, of even date herewith, for said amount and payable in accordance with the terms thereof.

WHEREAS, the Note provides for principal and interest at the rate therein specified, payable in accordance with the terms thereof, with all unpaid principal and unpaid and accrued interest due and payable on or before the Maturity Date (as defined in the Loan Agreement). The Note is payable to the order of Mortgagee at its principal office in Chicago, Illinois (the obligations and indebtedness hereunder and under the Loan Agreement and other Loan Documents (as defined in the Loan Agreement), including principal and all interest as set forth in the Note, is hereinafter called the "Indebtedness").

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, to secure (a) the payment of the Indebtedness, (b) the repayment of any advances or expenses of any kind incurred by Mortgagee pursuant to the provisions of or on account of the Note, the Loan Agreement or this Mortgage, including any modifications, supplements, amendments or extensions hereto or thereto, (c) the repayment of future advances, if any, disbursed by Mortgagee to Mortgagor in accordance with the terms of the Mortgage or in excess of the principal of the Indebtedness, if

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necessary to protect Mortgagee's interest in the Property, provided, however, that the maximum amount of the principal indebtedness secured hereby (including any advances or expenses incurred or disbursed pursuant to clause (b) or (c) of this paragraph) shall not exceed \$1,454,520.00 (d) the performance and observance of all of the terms, covenants, provisions and agreements of this Mortgage, the Loan Agreement and the Note, the parties agree as follows:

ARTICLE I

GRANT

1.01 The Mortgagor hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages and confirms unto the Mortgagee, and grants a security interest in, the real estate described in Exhibit A attached hereto and made a part hereof (the "real estate"), which with the property, estates and interests hereinafter described is referred to herein as the "Property":

Together with, all rents, issues, profits, royalties, income and other benefits derived from the real estate, subject to the right, power and authority hereinafter given to Mortgagee to collect and apply such rents;

Together with, all leasehold estate, right, title and interest of Mortgagor in and to all leases or subleases covering the real estate or any portion thereof, now or hereafter existing or entered into, and all right, title and interest of Mortgagor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

Together with, all right, title and interest of Mortgagor in and to any greater estate in the real estate owned or hereafter acquired;

Together with, all interests, estate or other claims in law and in equity which Mortgagor now has or may hereafter acquire in the real estate;

Together with, all easements, rights-of-way and rights pertaining thereto or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto;

Together with, all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed,



adjoining the real estate, and any and all sidewalks, alleys and strips and gores or land adjacent to or used in connection with the real estate;

Together with, any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements;

Together with, all machinery, apparatus, equipment, fittings, fixtures, and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon the real estate or any part thereof and used or useable in connection with any present or future operation of said real estate (hereinafter called "equipment") and now owned or hereafter acquired by the Mortgagor, including, but without limiting the generality of the foregoing, all heating, lighting, laundry, incinerating, and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, and communications apparatus, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves, wall beds, refrigerators, attached cabinets, partitions, ducts and compressors and all of the right, title and interest of the Mortgagor in and to any equipment which may be subject to any title retention or security agreement superior in lien to the lien of this Mortgage. It is understood and agreed that all equipment is appropriated to the use of the real estate and, whether affixed or annexed or not, shall for the purpose of this Mortgage be deemed conclusively to be conveyed hereby. The Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm the lien of this Mortgage on any equipment;

Together with, all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance, which Mortgagor now has or may hereinafter acquire in the real estate, and any and all awards made for the taking of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the real estate, including without limitation any awards resulting from a change of grade of streets and awards for severance damages.

To have and hold the Property unto the Mortgagee, and its successors and assigns forever, for the uses and purposes herein set forth.

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