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**REGULATORY AND LAND USE RESTRICTION AGREEMENT**

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (the "Agreement"), dated as of the 27<sup>th</sup> day of February, 1991, by and between American National Bank and Trust Company of Chicago, not personally but solely as Trustee under Trust Number 109986-07 ("Land Trustee"), Pine Place Limited Partnership, an Illinois limited partnership ("Beneficiary" and, together with Land Trustee, collectively "Owner"), and the ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("Authority"), a body politic and corporate established pursuant to the Illinois Housing Development Act, Laws 1967, p. 1931, constituting Illinois Revised Statutes, Chapter 67-1/2, Section 301, et seq., as amended and supplemented (the "Act");

W I T N E S S E T H:

WHEREAS, Land Trustee is the holder of legal title of certain real property upon which a housing development (the "Development") is to be constructed or rehabilitated, located in Chicago, Illinois, which real property is legally described in Exhibit A attached hereto and by this reference made a part hereof (the "Real Estate"), and Beneficiary is the sole beneficiary of Land Trust No. 109986-07; and

WHEREAS, the Authority is the program administrator of the Illinois Affordable Housing Program, as that program is authorized by the Illinois Affordable Housing Act (I.A. 86-925) (the "Trust Fund Act"), and the rules promulgated thereunder (the "Rules"). All capitalized terms used herein and not otherwise defined shall have the meaning established in the Trust Fund Act or, if not so established, in the Rules;

WHEREAS, Authority has issued a conditional commitment letter (the "Commitment") pursuant to which it has agreed to make two loans to Owner in the aggregate amount of Five Hundred Ninety Three Thousand One Hundred Seventy Five and No/100 Dollars (\$593,175.00) (the "Loan") to be used with such other monies, if any, as provided and for the purposes stated in the Commitment. The Loan is to be evidenced by a bridge loan note and a partnership note (the "Notes") of even date herewith and secured by a Chicago Equity Fund Partnership 1990 Note (the "CEF Note"); and

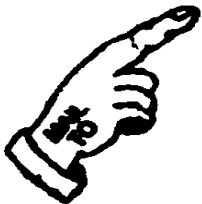
WHEREAS, as an inducement to Authority to make the Loan, Owner has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below and consents to be regulated and restricted by the Authority as herein provided and as provided for in the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of Authority promulgated under the Act;

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Incorporation. The foregoing recitals are made a part of this Agreement.
2. Act and Regulations. Owner agrees that at all times its acts regarding the Development shall be in conformance with the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of Authority promulgated under the Act, all as the same may be amended from time to time.
3. Additional Owner Covenants. Owner further covenants and agrees that:

This Instrument was Prepared  
by: Richard B. Muller  
and after Recording return  
to: Illinois Housing Development Authority  
401 N. Michigan Ave., Suite 900  
Chicago, IL 60611  
Attn: Legal Department

Permanent Index Tax Number:  
16-09-300-009  
16-09-300-008  
Property Address:  
330-44 North Pine Ave & 5501-15  
West Corcoran  
Chicago, Illinois 60644



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(a) Owner shall limit occupancy to those persons and families whose incomes do not exceed the income limits for Very Low Income Tenants and Low Income Tenants, as defined in Paragraph 9 of this Agreement; provided, however, that if any tenant meeting such income requirements at the time of initial occupancy subsequently fails to continue to meet such requirements, that failure shall not be a breach hereof;

(b) In the advertising, marketing and rental of units in the Development and the selection of tenants for such units, Owner agrees to abide by the terms and conditions of the Tenant Selection Plan dated Jan 14, 1991, executed between the parties to this Agreement, as it may be amended from time to time.

(c) In the management and operation of the Development, Owner agrees to abide by the terms and conditions of the Affirmative Fair Housing Marketing Plan dated January 3, 1991, which Affirmative Fair Housing Marketing Plan is attached hereto as Exhibit B and by this reference made a part hereof. Owner shall be responsible for ensuring the marketing agent's compliance with all applicable ordinances, regulations and statutes and the rules, procedures and requirements of the Authority;

(d) On forms approved by Authority, Owner shall obtain from each prospective Very Low Income Tenant and Low Income Tenant prior to admission to the Development a certification of income. Owner shall submit such certifications to Authority in the manner prescribed by the Authority;

(e) In the manner prescribed by the Authority, Owner shall obtain written evidence substantiating the information given on such tenant certifications of income and shall retain such evidence in its files for three (3) years after the year to which such evidence pertains. At the end of each calendar year Owner will certify to Authority that, at the time of such certification and during the preceding calendar year, Owner was in compliance with the requirement of this paragraph 3, or, if Owner is or has not been in compliance with such requirements, Owner shall give notice to the Authority of its failure to comply and the corrective action Owner is taking or has taken;

(f) Owner shall comply with the rent limitations contained in Section 360.904(c) of the Rules;

(g) Owner shall obtain all governmental approvals required by law for its rehabilitation, ownership and operation of the Development;

(h) Owner shall at all times be an eligible recipient as defined in the Trust Fund Act ("Eligible Recipient"), or if legal title to the Development is owned by a trustee under an Illinois land trust, the beneficiary under said land trust shall at all times be an Eligible Recipient;

(i) Owner shall submit to Authority on an annual basis the rent schedule for the Development reflecting the actual rates being charged at the Development;

(j) Owner shall not evict any tenants from the Development without good cause; and

(k) Owner shall rehabilitate the Development in conformity with applicable Federal, State and local statutes, regulations, ordinances, standards and codes, with industry practices in Illinois, and with applicable rules, contracts, agreements, procedures, guides and other requirements of Authority.

4. Acts Requiring Authority Approval. Owner shall not without the prior written approval of Authority:

(a) Convey, transfer or encumber any of the Development, or permit the conveyance, transfer or encumbrance of any part of the Development;

(b) Rent any unit in the Development for less than thirty (30) days or more than one (1) year;

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(c) Change the rental charge of the units funded under the Trust Fund Act;

(e) Lease or sublease any non-residential facility in the Development or amend or modify any such lease or sublease, which, to the best of Owner's knowledge, would result in a conflict of interest between any of the parties to such contracts and Authority, its board members, officers, employees, agents or members of their respective immediate families;

(f) Require, as a condition of the occupancy or leasing of any dwelling unit in the Development, 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.

5. Owner's Duties. In addition to, but not by way of limiting of, the other duties of Owner set forth herein, it shall comply with the following:

(a) Maintenance. It shall maintain the Development including the units and the grounds and equipment appurtenant thereto in a decent, safe and sanitary condition, and in a rentable and tenantable state of repair, and in compliance with applicable Federal, State and local statutes, regulations, ordinances, standards and codes.

(b) Audit. The Development and the equipment, buildings, plans, specifications, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto and the books and records relating to Owner shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection and copying by Authority or its agent or representative at any time as Authority reasonably requires.

(c) Furnishing Information. At the request of Authority, Owner shall furnish such reports, projections, certifications, budgets, operating reports, tax returns and analyses as required pursuant to the rules and regulations of Authority and the Trust Fund Act as amended from time to time, or by other applicable Federal or State statutes or requirements, and shall give specific answers to questions upon which information is desired from time to time relative to Owner's income, assets, liabilities, contracts and operation, all relative to the Development, and the administration, operation, maintenance, occupancy, financial soundness and physical condition of the Development.

(d) Compliance with Certain Laws. It shall comply with the provisions of the Environmental Barriers Act (Ill.Rev.Stat. 1989, ch. 111 1/2, par. 3711 et seq.), and the Illinois Accessibility Code (71 Ill.Acm. Code 400).

## 6. Non-Discrimination in Housing.

(a) Owner shall not in the selection of tenants, in the provision of services, or in any other manner discriminate against any person on the grounds of race, color, creed, religion, sex, age, handicap, national origin or family status or because the prospective tenant is receiving governmental rental assistance.

(b) Owner shall comply with all of the provisions of Paragraph 313 of the Act, Section 10(a) of the Trust Fund Act and all other provisions of Federal, State and local law relative to non-discrimination.

7. Violation of Agreement by Owner. Upon violation of any of the provisions of this Agreement by Owner, the Authority shall give written notice thereof to Owner by registered or certified mail, addressed to the address stated in this Agreement, or such other address as may subsequently, upon appropriate written notice thereto to the Authority, be designated by Owner as its legal business address. If such violation is not corrected to the satisfaction of the Authority within thirty (30) days after the date such notice is mailed or within such further time as the Authority in its sole

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discretion permits, the Authority may declare a default under this Agreement effective on the date of such declaration of default and upon such default the Authority may:

(a) Declare the whole of the indebtedness under the Notes immediately due and payable and then proceed with the rights and remedies set forth in the Notes;

(b) Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement, or for such other relief as may be appropriate, because the injury to Authority arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain. (Owner acknowledges and agrees that the Authority's remedies at law, in the event of a violation of this Agreement, would be inadequate to assure the Authority's public purpose under the Trust Fund Act); and/or

(c) Exercise such other rights or remedies as may be available to Authority hereunder, at law or in equity.

(d) No delay on the part of the Authority in exercising any rights under this Agreement, failure to exercise the same nor the exercise of less than all of its rights under this Agreement shall operate as a waiver of such right.

## 8. Termination of Liabilities.

(a) In the event of a sale or other transfer of the Development, all of the duties, obligation undertakings and liabilities of the owner-transferor, under the terms of this Agreement, shall thereafter cease and terminate as to such owner-transferor, except as to any acts or omissions or obligations to be paid or performed of such owner-transferor which occurred prior to such sale or transfer, provided, however, as a condition precedent to the termination of the liability of the owner-transferor hereunder, the owner-transferee shall assume, on the same terms and conditions as apply hereunder to the owner-transferor, all of the duties and obligations of such owner-transferor, arising under this Agreement from and after such sale or transfer. Such assumption shall be in form and content acceptable to Authority.

(b) Any new owner (a "New Owner") shall be bound by the terms of this Agreement to the same extent and on the same terms as the present Owner is bound hereunder and shall execute an assumption of such obligation in form and content acceptable to Authority as condition precedent to such party's admission as a New Owner; provided that any such New Owner shall not be obligated with respect to matters or events which occur or arise prior to such party's admission as a New Owner.

(c) This Agreement shall terminate upon payment in full of the Loan.

## 9. Definitions. As used in this Agreement, the term:

(a) "Low Income Tenant" means a single person, family or unrelated persons living together whose adjusted income is more than 50%, but less than 80%, of the median income of the area of residence, adjusted for family size, 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.

(b) "Very Low Income Tenant" means a single person, family or unrelated persons living together whose adjusted income is not more than 50% of the median income of the area of residence, adjusted for family size, 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.

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

11. Execution of Conflicting Documents. Owner warrants that it has not, and shall not, execute any other agreement with provisions contradictory, or in opposition, to the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict therewith; provided, however, that to the extent this Agreement conflicts with any provisions or requirements set forth in the Notes, the Notes shall prevail and control.

12. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

13. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns, provided that Owner may not assign this Agreement or any of its obligations hereunder without the prior written approval of Authority.

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

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

16. Waiver by Authority. No waiver by Authority of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

17. 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.

18. Notices. The following are addresses for notices hereunder.

Owner: c/o Pine Place Limited Partnership  
Attn: Susan McCann  
City Lands Corporation  
7124 South Jeffrey Boulevard  
Chicago, Illinois 60649

Authority: Illinois Housing Development  
Authority  
401 N. Michigan Ave., Suite 900  
Chicago, Illinois 60611  
Attn: Legal Department

19. Land Trustee Exculpation.

This instrument is executed by American National Bank and Trust Company of Chicago, not personally but solely as Trustee, as aforesaid. All the covenants and conditions to be performed hereunder by American National Bank and Trust Company of Chicago are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asserted or be enforceable against American National Bank and Trust Company of Chicago by reason of any of the covenants, statements, representations or warranties contained in this instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year above first written.

**OWNER:**

Pine Place Limited Partnership  
an Illinois limited partnership

By: City Lands Corp., a Delaware  
corporation  
General Partner

By: [Signature]  
Its: [Signature]

American National Bank and Trust  
Company of Chicago, not personally,  
but solely as Trustee as aforesaid

By: [Signature]  
Its: [Signature]

**AUTHORITY:**

ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY

By: [Signature]  
Its: DIRECTOR

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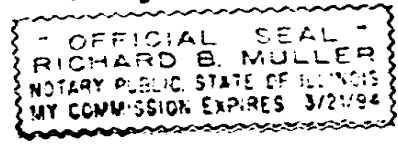
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STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Richard B. Muller, DIRECTOR 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 signed and delivered the said instrument in his capacity as DIRECTOR of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, as his free and voluntary act and deed and as the free and voluntary act and deed of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, in accordance with a resolution of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, for the uses and purposes therein set forth.

Given under my hand and official seal this 21st day of February, 1991.

Richard B. Muller  
Notary Public

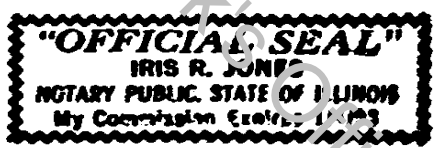


STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that James M. McCann, personally known to me to be the Vice President of the Citylands Corp., a Delaware corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument Agreement, appeared before me this day in person and acknowledged that he signed and delivered the said instrument in his capacity as Vice President of Citylands Corp., for the uses and purposes therein set forth.

Given under my hand and official seal this 27th day of February, 1991.

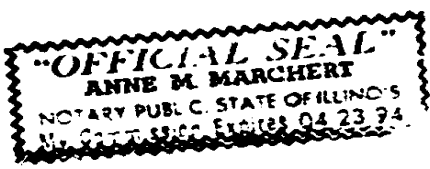
James M. McCann  
Notary Public



STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that James M. McCann, personally known to me to be the Vice President of the American National Bank and Trust Company of Chicago, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument in his capacity as Vice President of the American National Bank and Trust Company of Chicago, as his free and voluntary act and deed and as the free and voluntary act and deed of the American National Bank and Trust Company of Chicago, for the uses and purposes therein set forth.

Given under my hand and official seal this \_\_\_ day of \_\_\_\_\_, 1991.

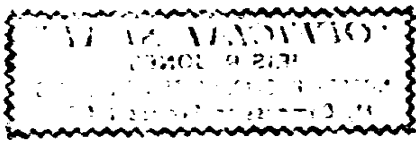


Anne M. Marchert  
Notary Public

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Exhibit A

## LEGAL DESCRIPTION

### PARCEL 1

THAT PART OF THE NORTHEAST 1/4 OF BLOCK 3 IN FRINK'S RESUBDIVISION OF THE NORTH 36 1/4 ACRES OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE NORTH 36 1/4 ACRES OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE NORTH LINE OF THE WIDTH 10.26 FEET OF THE NORTH 192 FEET AND SOUTH OF A LINE 60 FEET SOUTH OF THE SOUTH LINE OF LAKE STREET (EXCEPT THE WEST 10 FEET OF SAID PREMISES), IN COOK COUNTY, ILLINOIS.

### PARCEL 2

THE NORTH 60 FEET OF THAT PART OF THE NORTHEAST 1/4 OF BLOCK 3, LYING SOUTH OF THE SOUTH LINE OF LAKE STREET (EXCEPT THE WEST 10 FEET THEREOF) IN FRINK'S RESUBDIVISION OF THE NORTH 36 1/4 ACRES OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE NORTH 36 1/4 ACRES OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PROPERTY COMMONLY KNOWN AS: 330-44 & 346 NORTH PINE, 550' 15 WEST CORCORAN

PROPERTY TAX INDEX NUMBER: PARCEL 1 - 16-09-300-009 VOLUME: 550  
PROPERTY TAX INDEX NUMBER: PARCEL 2 - 16-09-300-008 VOLUME: 550

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Illinois Housing Trust Fund  
Affirmative Fair Housing Marketing Plan

07/13/90  
HTF

Complete Form and Submit To: Fair Housing Officer  
Illinois Housing Development Authority  
401 N. Michigan Avenue, Suite 900  
Chicago, Illinois 60611

## I. INTRODUCTION

Each multifamily Trust Fund applicant must carry out an affirmative program to attract prospective tenants of all minority and non-minority groups to the housing that the applicant is providing. These groups include whites (non-Hispanic) and members of minority groups to include Blacks (non-Hispanic), American Indians, Alaskan Natives, Hispanic and Asian/Pacific Islanders.

## II. APPLICATION AND PROJECT IDENTIFICATION

### A. Applicant: City Lands Limited Partnership

Company Name: City Lands Corp. Contact Person Susan McCann  
General Partner  
1111 N. Harrison Chicago IL 60644  
Address City State Zip  
Telephone Number (312) 626-3300

### B. Managing Agent:

Firm Name City Lands Corp. Contact Person Lynn Railsback  
1111 N. Jeffrey Boulevard Chicago IL 60649  
Address City State Zip  
Telephone Number (312) 667-2600

### C. Project:

Name City Lands  
1111 N. Harrison/1501-15 W. Corcoran Chicago IL 60644  
Address City State Zip  
County Cook Phone # (312) 261-0041 Census Tract 2519

### D. Project Data:

Project or Application Number HTF # 083 # of Units 44

Rental Range of Units/From \$ 350 to \$ 650

Project Type: (Check one) Elderly  Family  Mixed

Approximate Starting Dates Advertising 1/1/91 Occupancy Relocates-1/3/91  
General -2/1/91

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## III. DIRECTION OF MARKETING ACTIVITY

Indicate below which group(s) in the housing market area is least likely to, because of its location and other factors, apply for the housing without special outreach efforts.

White (non-Hispanic)       Black (non-Hispanic)       Hispanic  
 American Indian/Alaskan Native       Asian/Pacific Islander

## IV. MARKETING PROGRAM

### A. Commercial Media

Check the Media to be used in advertising the availability of this housing.

Newspaper(s)/Publication(s)       Radio       T.V.       Billboards

Other (specify) \_\_\_\_\_

The fair housing logo or slogan must be used in all newspaper ads and publications.

Names of Newspapers, Radio or T.V. Stations	Racial/Ethnic Identification of Reader/Audience	Size or Duration of Advertising
Chicago Tribune	Mixed	1/2" column until rent-up
Chicago Sun Times	Mixed	"

### B. Community Contacts

If applicant chooses to use community contact as part of their outreach program, it is understood that contact with the group/organization listed below will be established and maintained throughout initial marketing campaign subsequent marketing efforts. If more space is needed, attach an additional sheet.

1. Name of Group/Organization
2. City, State & Zip Code
3. Racial/Ethnic Identification
4. Approximate Date of Contact or Proposed Contact

#### Group I

1. Oak Park Housing Center  
1041 South Blvd.
2. Oak Park, IL
3. Mixed
4. 1/1/91 (Mary Matthews)

#### Group II

1. Fair Housing Center  
401 S. State, Suite 860
2. Chicago, IL
3. Mixed
4. 1/1/91 (James Shannon)

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## V. ADDITIONAL MARKETING ACTIVITIES

### A. Brochures, Signs and Fair Housing Poster:

- (1) Will brochures, leaflets, or handouts be used to advertise? yes x no  
If yes, the fair housing logo must be used. Please attach a copy of brochure or submit when available.
- (2) Will there be a project site sign? x yes no  
If yes, will a logotype be used? yes x no  
If a logotype will be used, the fair housing logo of equal size must be used also.
- (3) Will the project have any of the following: Rental Office yes  
model unit(s) yes Other (specify) \_\_\_\_\_  
In all areas checked, the Fair Housing Poster must be conspicuously displayed.

## VI. EXPERIENCE AND STAFF INSTRUCTIONS

- A. Have you had any experience in marketing housing to the group(s) identified above as least likely to apply to this project? x yes  
no.
- B. Staff training is to include: Fair housing laws and regulations, Outreach, and Affirmative Fair Housing Marketing Plan. Please indicate below how this is to be accomplished.

City Lands has previously completed nine FHA and/or IHDA  
housing developments in which we have engaged in affirmative  
marketing requirements pursuant to HUD Handbook 8025.1.

Pine Place Limited Partnership;

Project Owner: By: City Lands Corp Senior Vice President  
Name Title  
[Signature] 12/21/90  
Signature Date

Marketing/Managing Agent: City Lands Corp Vice President  
Name Title  
[Signature] 12/20/90  
Signature Date

Approved: Mary Somrak Arey Manager, Marketing & Research  
Name Title  
[Signature] January 3, 1991  
Signature Date