

COOK COUNTY, ILLINOIS
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TRUST FUND
MULTI-FAMILY LOAN
(HTF-282)

REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (the "Agreement"), dated as of the 19th day of May, 1994, by and between MARQUETTE NATIONAL BANK, not personally but as Trustee ("Trustee") under a Trust Agreement dated September 12, 1988 and known as Trust No. 11969, CHURCHVIEW LIMITED PARTNERSHIP, an Illinois limited partnership ("Owner"), 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. (1992), as amended and supplemented (the "Act");

W I T N E S S E T H:

WHEREAS, Trustee is the holder of fee title to certain real property upon which a housing development (the "Development") consisting of sixty (60) units (the "Units") is constructed, located in the City of Chicago, Illinois. The real property is legally described in Exhibit A attached hereto and by this reference made a part hereof (the "Real Estate"); and

WHEREAS, IHDA is the program administrator of the Illinois Affordable Housing Program, as that program is authorized by the Illinois Affordable Housing Act, 310 ILCS 25/1 et seq. (1992) (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; and

WHEREAS, IHDA has issued a conditional commitment letter dated July 13, 1993 (the "Commitment") pursuant to which it has agreed to make a loan to Owner in the sum of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00) (the "Loan") to be used with such other monies, if any, as provided and for the purposes stated in the Commitment, which Loan is to be evidenced by a mortgage note (the "Note") and secured by a third mortgage,

THIS INSTRUMENT WAS PREPARED
BY: Richard B. Muller
AND AFTER RECORDING RETURN
TO: Illinois Housing Development
Authority
401 N. Michigan Ave., Ste. 900
Chicago, IL 60611
Attn: Legal Department

Permanent Index Tax Number:
19-13-426-033, 19-13-426-034
19-13-426-035, 19-13-426-036
19-13-426-037, 19-13-426-038

Property Address:
6250 S. Talman Avenue
Chicago, Illinois

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

BOX 333-CTI

7504608 DB 182

Handwritten initials: H 5/28/94

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security agreement and collateral assignment of rents and leases (the "Mortgage") on the Development, both of even date herewith; and

WHEREAS, as an inducement to IHDA 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 IHDA as herein provided and as provided for in the Trust Fund Act, the Rules, the Act and the rules, regulations, policies and procedures of IHDA promulgated under the Act, all as they may be amended and supplemented.

NOW, THEREFORE, the parties hereto agree as follows:

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

2. **Act and Rules.** Borrower 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 IHDA promulgated under the Act, all as they may be amended and supplemented from time to time.

3. **Additional Owner Covenants.** Owner further covenants and agrees that:

(a) All sixty (60) Units shall be reserved for Low Income Households (as that term is defined in Paragraph 9 below). Owner shall limit occupancy to those persons and families whose annualized adjusted income does not exceed the income limits for Low Income Households as of the date of initial occupancy;

(b) In the advertising, marketing and rental of Units and the selection of Tenants for such Units, Owner agrees to abide by the terms and conditions of the Tenant Selection Plan dated October 29, 1993, as subsequently amended, executed by Owner and approved by IHDA, 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 March 23, 1993. Owner shall be responsible for ensuring the management agent's compliance with all applicable ordinances, regulations and statutes and the rules, procedures and requirements of IHDA;

(d) On forms approved by IHDA, Owner shall obtain from each prospective Tenant prior to admission to the Development a certification of income (the "Certification"), and at such intervals thereafter as required by IHDA, a recertification (the "Recertification") of income from each such Tenant. Owner shall submit such Certifications and Recertifications to IHDA in the manner prescribed by IHDA;

(e) In the manner prescribed by IHDA, Owner shall obtain

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written evidence substantiating the information given on such Certifications and Recertifications 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 shall certify to IHDA that, at the time of such Certifications and during the preceding calendar year, Owner was in compliance with the requirements of this Paragraph 3, or, if Owner is not or has not been in compliance with such requirements, Owner shall give notice to IHDA 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 require all Tenants to execute a lease in a form approved by IHDA;

(h) Owner shall obtain all Federal, State and local governmental approvals required by law for its ownership and operation of the Development;

(i) Owner shall at all times be a Recipient;

(j) Owner shall submit to IHDA on an annual basis the rent schedule for the Development reflecting the actual rates being charged for Units;

(k) Owner shall not evict any tenant from the Development without good cause; and

4. Acts Requiring IHDA Approval. Except as permitted by the Mortgage, Borrower shall not, without the prior written approval of IHDA:

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

(b) Initially, rent any Unit for a period other than one year; after one (1) year, rent any Unit for less than thirty (30) days or more than one (1) year;

(c) 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 IHDA, its board members, officers, employees, agents or members of their respective immediate families;

(d) Require, as a condition of the occupancy or leasing of any Unit, any consideration or deposit other than the pre-payment of the first month's rent plus a security deposit in an amount

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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; or

(e) Prepay, in part or in whole, the Loan.

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

(a) Maintenance. Owner shall maintain the Development, including, but not limited to, 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) Management. Owner shall provide for the management of the Development in a manner satisfactory to IHDA.

(c) 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 IHDA or its agent or representative at any time as IHDA reasonably requires.

(d) Financial Report. Within one hundred twenty (120) days following the end of each calendar year, in a manner prescribed by IHDA, Owner shall furnish IHDA with a complete annual financial report for the Development based upon an examination of the books and records of the Development, prepared in accordance with the requirements of IHDA, and certified to by Owner, at Owner's expense, by an Illinois licensed certified public accountant.

(e) Furnishing Information. At the request of IHDA, Owner shall furnish such reports, projections, certifications, budgets, operating reports, tax returns and analyses as required pursuant to the rules and regulations of IHDA and the Trust Fund Act as amended from time to time, or by other applicable Federal, State or local statutes or requirements, and shall from time to time give specific answers in connection with questions upon which information is desired 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.

6. Non-Discrimination in Housing.

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

(b) Owner shall comply with all of the provisions of Paragraph 3805/13 of the Act, Paragraph 65/10 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 Borrower, IHDA shall give written notice thereof to Borrower, the First Lender (as defined in the Mortgage) and Second Lender (as defined in the Mortgage), as provided in Paragraph 17 hereof and in the Mortgage. If such violation is not corrected to the satisfaction of IHDA within thirty (30) days after the date such notice is mailed, or within such further time as IHDA in its sole discretion permits, IHDA may declare a default under this Agreement, effective on the date of such declaration of default, and upon such default IHDA may:

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

(b) Subject to the rights of the First Lender and Second Lender, collect all rents and charges in connection with the operation of the Development and use such collections to pay Owner's obligations under this Agreement, the Note, the Mortgage and such other obligations of Owner in connection with the Development and the necessary expenses of preserving and operating the Development;

(c) Subject to the rights of the First Lender and Second Lender, take possession of the Development, bring any action necessary to enforce any rights of Owner growing out of the operation of the Development and operate the Development in accordance with the terms of this Agreement until such time as IHDA, in its sole discretion, determines that Owner 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 and Mortgage;

(d) 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 IHDA arising from a default

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under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain, Owner acknowledges and agrees that IHDA's remedies at law, in the event of a violation of this Agreement, would be inadequate to assure IHDA's public purpose under the Trust Fund Act; and/or

(e) Exercise such other rights or remedies as may be available to IHDA hereunder, 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 breach 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.

8. Termination of Liabilities.

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

(b) Any 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 IHDA 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 that occur or arise prior to such party's admission as a New Owner.

9. Low Income Household. As used in this Agreement, "Low Income Household" means a single person, family or group of unrelated persons living together whose annualized adjusted income is less than eighty percent (80%), of the median income of the area of residence, adjusted for family size, as such annualized adjusted income and median income for the area are determined from time to time by the United States Department of

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Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

10. Term of Agreement/Covenants Running with Land.

a) The covenants and agreements set forth in this Agreement shall be deemed to run with, bind and burden the Development, and shall be deemed to bind any New Owner and any other future owners of the Development and the holder of any legal, equitable or beneficial interest therein so long as the Note and Mortgage on the Development are outstanding and in effect; provided, however, that if the date of the cancellation of the Note and the release and discharge of the Mortgage (the "Release Date") is prior to the date the Note was originally scheduled to mature (the "Maturity Date"), the covenants and agreements set forth in Paragraphs 2, 3(a)-(f), 3(j), 5(a), 6, 7(d)-(e), 8(b) and 9-19 hereof (collectively, the "Continuing Obligations") shall remain in effect, and those shall remain in effect only for the period of time commencing on the Release Date and Ending on the Maturity Date, irrespective of whether this Loan is prepaid voluntarily by Owner or tendered by any party following an acceleration by IHDA of the Mortgage or enforcement by it of any other of its remedies in connection with the Loan.

b) The Borrower expressly acknowledges that it is giving its undertakings, covenants and agreements to induce IHDA to make the Loan and that, notwithstanding that the Loan may have been repaid prior to the Maturity Date, the Owner's undertaking to perform on an ongoing basis the Continuing Obligations is a condition precedent to the willingness of IHDA to make the Mortgage Loan.

c) Notwithstanding any of the foregoing and the provisions of Paragraphs 8 and 14 hereof, in the event the Mortgage or the First Mortgage (as defined in the Mortgage) is foreclosed, or a deed is given in lieu of foreclosure of either of them, this Agreement and all of the covenants and agreements contained herein shall automatically terminate upon entry of a final, non-appealable order confirming the foreclosure sale and delivery of a deed to the purchaser at such sale, or upon delivery of a deed in lieu of foreclosure, as the case may be. IHDA shall, upon the written request of the purchaser at such foreclosure sale or the recipient of a deed in lieu of foreclosure, deliver a release of this Agreement, in recordable form, to such purchaser or recipient.

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

12. Execution of Conflicting Documents. Owner warrants that it has not, and shall not, execute any other agreement with

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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 herewith; provided, however, that to the extent this Agreement conflicts with any provisions or requirements set forth in the Mortgage or Note, the provisions of the Mortgage or Note, as the case may be, shall prevail and control.

13. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof 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 thereof to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. **Successors.** Subject to the provisions of Paragraph 8 hereof, 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 IHDA.

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

16. **Captions.** The captions used in this Agreement are 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.

17. **Notices.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing (at the addresses set forth below) by any of the following means: (a) personal service; (b) electronic communication, whether by telegram or telecopier, together with confirmation of transmission; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

Trustee: Marquette National Bank
6316 S. Western Ave.
Chicago, Illinois 60636

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Attn: Trust Department

Fax: (312) _____

Owner: Churchview Limited Partnership
c/o Churchview Corp.
2601 West 63rd Street
Chicago, Illinois 60629
Attention: James Capraro

Fax: (312) 471-8206

with a copy to: Keck, Mahin & Cate
77 W. Wacker Dr.
49th Floor
Chicago, Illinois 60601
Attn: Mark Burns

Fax: (312) 634-5000

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

Fax: (312) 856-5215

Such addresses may be changed by notice to the other parties given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon confirmation of transmission by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) 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 subsection (d) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

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

19. Exculpation of Trustee. This Agreement is executed by Marquette National Bank not personally, but as Trustee under Trust No. 11969 as aforesaid, in the exercise of the power and authority conferred upon and vested in the Trustee as such, and it is expressly understood and agreed that nothing contained in

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this Agreement shall be construed as creating any monetary liability on the Trustee personally to pay any indebtedness accruing hereunder, or any personal monetary liability on the Trustee with respect to the performance of any warranty or covenant, either expressed or implied in this Agreement (all such personal monetary liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security hereunder).

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

TRUSTEE:

MARQUETTE NATIONAL BANK
not personally but as Trustee of
Trust No. 11959

By: [Signature]
Its: VICE PRESIDENT

ATTEST:

By: [Signature]
Its: Att. Sec.

OWNER:

CHURCHVIEW LIMITED PARTNERSHIP

By: Churchview Corporation,
General Partner

By: [Signature]
Its: PRESIDENT

ATTEST:

By: [Signature]
Its: [Signature]

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT
AUTHORITY

By: [Signature]
Its: Deputy Director

EXHIBITS

A: Legal Description of Real Estate

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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 Pamela Lenane, personally known to me to be the Deputy Director of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, 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 she signed and delivered the said instrument in her capacity as Deputy Director of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, as 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 12th day of May, 1994.

Richard B. Muller
Notary Public

My Commission expires: _____



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 James F. Caputo and Karen Whitson personally known to me to be the President and Secretary respectively, of CHURCHVIEW CORPORATION, general partner of Churchview Limited Partnership, each of whom are 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 acknowledged that they signed and delivered the said instrument in their respective capacities as President and Secretary of CHURCHVIEW CORPORATION, as their free and voluntary act and as the free and voluntary act and deed of CHURCHVIEW CORPORATION, for the uses and purposes therein set forth.

Given under my hand and official seal this 2ND day of May, 1994

Eileen M. Shedor
Notary Public

My commission expires: 11-26-94



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OFFICIAL SEAL
RICHARD B. MILLER
CLERK OF COOK COUNTY
BY ELECTORAL COLLEGE

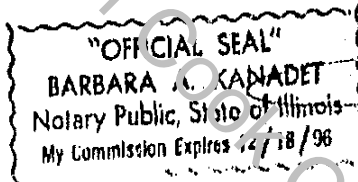
OFFICIAL SEAL
RICHARD B. MILLER
CLERK OF COOK COUNTY
BY ELECTORAL COLLEGE

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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 Glen E. Skinner and Barbara Kanadet personally known to me to be the Trust Officer and Assistant Secretary of **MARQUETTE NATIONAL BANK**, personally known to be to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument in their capacities as Trust Officer and Assistant Secretary of **MARQUETTE NATIONAL BANK**, as their free and voluntary act and deed and as the free and voluntary act and deed of **MARQUETTE NATIONAL BANK**, as trustee, for the uses and purposes therein set forth.

Given under my hand and official seal this 2nd day of May, 1994.



Barbara J. Kanadet
Notary Public

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EXHIBIT A

LEGAL DESCRIPTION

LOTS 16 THROUGH 23 IN THE BLOCK 15 IN COBE AND MCKINNON'S 63RD STREET AND CALIFORNIA AVENUE SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 1/3, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDAN, IN COOK COUNTY, ILLINOIS.

ci/043894(LEOALDES.RBM)(ADMIN)

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