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REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (this "Agreement") is made as of this 6th day of JULY, 1994, by and among EDILBERTO B. MORALES and GERONIMA BECERRA, hsp-1110

\$37.50

TR0013 TRAM 6487 07/10/94 10:33:00  
#7717 # AP # 74-622254  
COOK COUNTY RECORDER

(collectively, "Borrower"), whose address is 2851 North Christiana Ave., Chicago, Illinois 60618

Chicago, Illinois 60647, and the ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("IHDA"), a body politic and corporate established pursuant to the Illinois Housing Development Act, 310 ILCS 10/1, et seq., as amended and supplemented (the "Act"), having its principal office at 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611.

WITNESSETH:

WHEREAS, IHDA has made a loan in the amount of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) (the "Loan") to Borrower;

WHEREAS, the real estate given as security for the Loan (the "Real Estate") is described legally on Exhibit A, attached hereto and made a part hereof by this reference;

WHEREAS, Borrower owns the Real Estate;

WHEREAS, the Loan is evidenced, secured and governed by, among other things: (a) a promissory note evidencing the Loan (the "Note"), (b) a Mortgage and Security Agreement dated as of the date of the Note (the "Mortgage"), (c) this Agreement, and (d) certain other documents entered into in connection with the Loan. This Agreement, the Note, the Mortgage and all other documents executed by Borrower, which evidence or secure the Loan are hereinafter collectively referred to as the "Loan Documents;"

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 65/1, et seq., as amended and supplemented (the "Trust Fund Act"), and the rules promulgated thereunder, as amended and supplemented (the "Rules").

THIS INSTRUMENT WAS PREPARED BY AND AFTER RECORDING SHOULD BE RETURNED TO:  
Steven E. Silverman  
SHEFSKY & FROELICH LTD.  
444 North Michigan Avenue  
Chicago, Illinois 60611

Permanent Tax Index No.:  
13-26-227-003  
Property Address:  
2851 N. Christiana Ave.  
Chicago, IL 60618

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

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LOT 46 IN BLOCK 3 IN HENRY WISNRR'S SUBDIVISION OF LOTS 8 AND 9 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

THIS IS NOT HOMESTEAD PROPERTY AS TO THE GRANTOR'S SPOUSE.

Property of Cook County Clerk's Office

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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, as an inducement to IHDA to make the Loan, Borrower has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below and consent 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.

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

1. Incorporation of Recitals. The foregoing recitals are made a part of this Agreement as fully and with the same force and effect as if repeated herein at length.

2. Act and Regulations. Borrower agrees that at all times its acts regarding the Real Estate and the improvements thereon (together referred to hereinafter as 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 the same may be amended from time to time.

3. Representations, Warranties, Covenants, and Agreements. Borrower further represents, warrants, covenants and agrees that:

a. Borrower is the sole owner of the Real Estate; and

b. Borrower shall initially qualify as a Low Income Household or Very Low Income Household as those terms are hereinafter defined; and

c. Borrower shall initially be an eligible recipient as defined in the Trust Fund Act.

4. Acts Requiring IHDA Approval. Except as permitted pursuant to the Mortgage, Borrower shall not without the prior written approval of IHDA, which may be given or withheld in IHDA's sole discretion:

a. Convey, transfer, lease or encumber the Development, or permit the conveyance, transfer, lease or encumbrance, of any part of the Development; or

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

5. Violation of Agreement by Borrower. Upon violation of any of the provisions of this Agreement by Borrower, IHDA may give written notice thereof to Borrower. 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

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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 of the indebtedness under the Note immediately due and payable and then proceed with the rights and remedies set forth in the Mortgage and/or any other Loan Document;
- b. Apply to any court, state or Federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the 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 under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain. Borrower acknowledges and agrees that IHDA's remedies at law, in the event of a violation of this Agreement, would be inadequate to assure IHDA's public purpose under the Trust Fund Act; and/or
- c. Exercise such other rights or remedies as may be available to IHDA hereunder, at law or in equity.

No delay on the part of IHDA 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.

6. **Definitions.** As used in this Agreement, the term:

(a) "Very Low Income Household" means a single person, family or unrelated persons living together whose adjusted income is less than or equal to 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.

(b) "Low Income Household" means a single person, family or unrelated persons living together whose adjusted income is more than 50%, but less than or equal to 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.

7. **Term of Agreement; Covenants Run with Land.** The covenants and agreements set forth in this Agreement shall be deemed to run with and bind and burden the Development, and shall be deemed to bind any owner of the Development, and any legal, equitable or beneficial interest therein until the date the Note and the Mortgage are no longer outstanding and in effect. The covenants

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and agreements herein shall remain in effect with respect to the Development for a period of ten (10) years from the date hereof.

It is hereby expressly acknowledged by Borrower that the covenants, undertakings, and agreements of Borrower are given to induce IHDA to make the Loan and that, notwithstanding that the Loan may have been repaid prior to maturity, Borrower's undertaking to perform on an ongoing basis the terms and covenants set forth in this Agreement is a condition precedent to the willingness of IHDA to so make the Loan. If the Loan is prepaid prior to maturity, the terms and covenants set forth in this Agreement shall continue to apply as aforesaid irrespective of whether the Loan is prepaid voluntarily or tendered by any party following an acceleration by IHDA of the Mortgage or enforcement by it of other of its remedies under any of the Loan Documents.

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

9. Execution of Conflicting Documents. Borrower warrants that it has not executed, 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 Mortgage or the Note, the Mortgage or the Note, as the case may be, shall prevail and control.

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

11. 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 Borrower may not assign this Agreement or any of its obligations hereunder without the prior written approval of IHDA.

12. 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.

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

14. Non-Waiver. No waiver by IHDA of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

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

16. **Notices.** Any notice, demand, request or other communication which 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;
- (c) overnight courier; or
- (d) registered or certified United States mail, postage prepaid, return receipt requested.

Such addresses may be changed by notice to the other party 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 dispatch 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.

If to Borrower:

EDILBERTO B. MORALES and GERONIMA BECERRA

2851 N. Christiana Ave.,

Chicago, Illinois 60618

Chicago, Illinois 60647

~~If to IHDA,~~

~~Illinois Housing Development Authority  
401 North Michigan Avenue  
Suite 900  
Chicago, Illinois 60611  
Attention: Legal Department  
FAX: (312) 836 5315~~

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If to IHDA:

Illinois Housing Development Authority  
401 North Michigan Avenue  
Suite 900  
Chicago, Illinois 60611  
Attention: Legal Department  
FAX: (312) 836-5215

Except as otherwise specifically required herein, notice of the exercise of any right or option granted to IHDA pursuant to this Agreement is not required to be given.

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

BORROWER:

Edilberto B Morales  
EDILBERTO B. MORALES  
Geronima Becerra  
GERONIMA BECERRA

IHDA:

ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY, a body politic and  
corporate

By: Pamela A. Benane  
Printed Name: Pamela A. Benane  
Title: Acting Director

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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 EDILBERTO B. MORALES and ~~BERONIMA BECERRA, his wife~~ 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 as their free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and official seal this 14<sup>th</sup> day of July, 1994  
Stella Misiolek  
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 DAMELA ALEMANE personally known to me to be the ACTING DIRECTOR of the Illinois Housing Development Authority and personally known to be to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument in his/her capacity as ACTING DIRECTOR of the Illinois Housing Development Authority as their 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 6<sup>th</sup> day of July, 1994.

Miriam Aróstegui Johnson  
Notary Public





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EXHIBIT A

LEGAL DESCRIPTION

lot 46 in Block 3 in Henry Wisner's Subdivision  
of Lots 8 and 9 in Brand's Subdivision of the Northeast  
Quarter of Section 26, Township 40 North, Range 13, East  
of the Third Principal Meridian, in Cook County,  
Illinois.

Property of Cook County Clerk's Office

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