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(7)

TRUST FUND  
MULTI-FAMILY LOAN  
(HTF-296)

94276825

## REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (the "Agreement"), dated as of the 15<sup>th</sup> day of February, 1994, by and between STEPHAN HUMMEL, d/b/a THE LENZI GROUP ("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");

WITNESSETH:

WHEREAS, Owner is the holder of legal title to certain real property upon which a housing development (the "Development") consisting of three (3) buildings containing a total of forty-eight (48) units (the "Units") is to be rehabilitated, located in the Town of Hodgkins, 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 November 9, 1993 (the "Commitment") pursuant to which it has agreed to make a loan to Owner in the sum of FOUR HUNDRED SEVENTY-ONE THOUSAND AND NO/100 DOLLARS (\$471,000.00) (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 mortgage and security agreement (the "Mortgage") on the Development, both of even date herewith; and

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:  
18-15-701-024, -025, -026, -040

Property Address:  
6022, 6024, 6026 Lenzi Ave.  
Hodgkins, Illinois

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

Box 430

①

43.00

RAM for IHDA  
-5-1

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03/03/2023

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**WHEREAS**, as an inducement to IHDA to make the Loan, Owner agrees 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. **Acts and Rules**. 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 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 forty-eight (48) Units shall be reserved for Very Low Income Households (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 Very 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 January 31, 1994 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 January 31, 1994, 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 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 Certification 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 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 shall certify to IHDA that, at the time of such Certification 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 rehabilitation, ownership and operation of the Development;

(i) Owner shall at all times be an Eligible 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

(l) Owner shall design and 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 IHDA.

**4. Acts Requiring IHDA Approval.** Except as permitted by the Mortgage, Owner 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 less than one (1) year, and after that initial one (1) year period, rent any Unit for a period less than six (6) months 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,

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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 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. Upon completion of the rehabilitation of the Development, 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 and local statutes or requirements, and from time to time shall give specific answers to questions upon which information is

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desired in connection with 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.

(f) Relocation Plan. Any temporary relocation or permanent displacement of Tenants of the Development shall occur only in accordance with the relocation plan as submitted by Borrower to, and approved by, IHDA (the "Relocation Plan"). Borrower shall be responsible for ensuring compliance with all contents of the Relocation Plan.

(g) Compliance with Certain Laws. In the rehabilitation of the Development, Owner shall comply with the provisions of the Environmental Barriers Act, 410 ILCS 25/1 et seq. (1992), the Illinois Accessibility Code, 71 Ill. Adm. Code 400 and the provisions of 47 Ill. Adm. Code 310, Subpart I, all as they may be amended or supplemented.

## 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, 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 Owner, IHDA shall give written notice thereof to Owner and the Senior Lender (as defined in the Mortgage), as provided in Paragraph 17 hereof. 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 of 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 Senior 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

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necessary expenses of preserving and operating the Development;

(c) Subject to the rights of the Senior 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 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

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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. Definitions. As used in this Agreement, the term "Very Low Income Household" means a single person, family or group of unrelated persons living together whose annualized adjusted income is less than or equal to fifty percent (50%) 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 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. 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.

The Owner 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.

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

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12. **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 herewith; provided, however, that to the extent this Agreement conflicts with any provisions or requirements set forth in the Mortgage or the Note, the provisions or requirements of the Mortgage or the Note, as the case may be, shall prevail and control. The provisions of this Paragraph 12 shall not be deemed to be violated by the Senior Instruments (as defined in the Rider to the Mortgage).

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 or receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

5/27/2010 10:15:00 AM

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Owner: The Lenzi Group  
244 E. Ogden Avenue, #244  
Westmont, Illinois 60559  
Attn: Steve Hummel

Fax: (708) 323-5869

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

Fax: (312) 836-5215

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 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.

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.

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

OWNER:

*Stephen Hummel d/b/a*  
THE LENZI GROUP

By:

*[Signature]*  
Steve Hummel  
*Stephen*

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY

By:

*[Signature]*  
Its: *Assistant Director*

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## EXHIBITS

A: Legal Description of Real Estate

B: Affirmative Fair Marketing Plan

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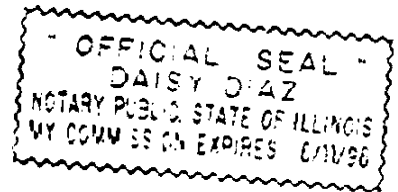
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Ronald A. Brown personally known to me to be the Past 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 he signed and delivered the said instrument in his capacity as Past 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 14th day of February, 1994.

Daisy Diaz  
Notary Public

My Commission expires: 6/1/96



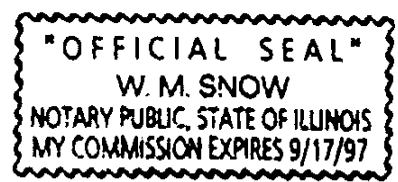
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in <sup>and</sup> for the County and State aforesaid, do hereby certify that Steve Hummel <sup>aka The Home Group</sup> 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 as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and official seal this 15th day of February, 1994.

W. M. Snow  
Notary Public

My commission expires: 9-17-97



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COOK COUNTY CLERK'S OFFICE  
111 N. LAUREL ST. CHICAGO, IL 60602  
TEL: (773) 399-3000 FAX: (773) 399-3001  
WWW.COOKCOUNTYCLERK.COM

## PARCEL 1:

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\*\*\*THE SOUTH 10 FEET OF LOT 23 AND ALL LOT 24 IN BLOCK 2 IN THE LENZIE FIRST ADDITION TO HODGKINS, A SUBDIVISION IN THE WEST HALF OF THE SOUTHWEST QUARTER, AND WEST HALF OF THE NORTH WEST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO PLAT THEREOF RECORDED JULY 14, 1925, AS DOCUMENT 8973825, IN BOOK 209, OF PLATS, PAGE 32, ALL IN COOK COUNTY, ILLINOIS.\*\*\*

## PARCEL 2:

\*\*\*LOT 25 IN BLOCK 2 IN THE LENZIE FIRST ADDITION TO HODGKINS, A SUBDIVISION IN THE WEST HALF OF THE SOUTHWEST QUARTER, AND WEST HALF OF THE NORTH WEST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO PLAT THEREOF RECORDED JULY 14, 1925, AS DOCUMENT 8973825, IN BOOK 209, OF PLATS, PAGE 32, ALL IN COOK COUNTY, ILLINOIS.\*\*\*

## PARCEL 3:

\*\*\*LOT 26 IN BLOCK 2 IN THE LENZIE FIRST ADDITION TO HODGKINS, A SUBDIVISION IN THE WEST HALF OF THE SOUTHWEST QUARTER, AND WEST HALF OF THE NORTH WEST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO PLAT THEREOF RECORDED JULY 14, 1925, AS DOCUMENT 8973825, IN BOOK 209, OF PLATS, PAGE 32, ALL IN COOK COUNTY, ILLINOIS.\*\*\*

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