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**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

between

COMMUNITY HOUSING PARTNERS V L.P.
an Illinois limited partnership

and

SEAWAY NATIONAL BANK OF CHICAGO
as Trustee under the Indenture for the following Bonds:

City of Chicago

\$4,535,000 Multi-Family Housing Revenue Bonds
(Archer Courts Apartments), Series 1999A (FHA Insured/CNMA)

\$1,010,000 Multi-Family Housing Revenue Bonds
(Archer Courts Apartments), Series 1999B (Variable Rate)

Dated as of June 1, 1999

Box 430

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, dated as of June 1, 1999 (this "**Agreement**"), is entered into by **COMMUNITY HOUSING PARTNERS V L.P.**, an Illinois limited partnership and any FHA approved successor or assignee to its rights and obligations (the "**Borrower**"), and **SEAWAY NATIONAL BANK OF CHICAGO**, as Trustee (the "**Trustee**") under the Indenture, as defined in this Agreement, under the circumstances summarized in the following recitals.

W I T N E S S E T H:

WHEREAS the City of Chicago, Cook County, Illinois (the "**Issuer**") has authorized the issuance of its Multi-Family Housing Revenue Bonds (Archer Courts Apartments), Series 1999A (FHA Insured/GNMA) (the "**Series 1999A Bonds**") and Series 1999B (Variable Rate) (the "**Series 1999B Bonds**") and, together with the Series 1999A Bonds, the "**Bonds**"), in order to finance a portion of the costs of acquiring and rehabilitating the Development (as defined below) and to pay certain costs of issuing the Bonds; and

WHEREAS, pursuant to a Financing Agreement, dated as of June 1, 1999, among the Issuer, the Trustee and the Borrower, (the "**Financing Agreement**") the proceeds of the Series 1999A Bonds will be used to purchase fully modified mortgage backed securities guaranteed by the Government National Mortgage Association ("**GNMA**") from TRI Capital Corporation (the "**Lender**"), and the Lender will use the proceeds from the sale of such securities to make an FHA-insured mortgage loan backing such securities (the "**Mortgage Loan**") to the Borrower, evidenced by a mortgage note (the "**Mortgage Note**") from the Borrower to the Lender to finance a portion of the costs of acquiring and rehabilitating the Archer Courts Apartments multi-family housing development, consisting of approximately 147 units in 2 buildings located at 2220-2224 and 2240-2244 South Princeton, Chicago, Illinois, located on the real estate leased to the Borrower and legally described on Exhibit A to this Agreement (the "**Real Estate**") (the improvements on the Real Estate related to the housing development are referred to in this Agreement as the "**Development**"); and

WHEREAS, pursuant to a Loan Agreement, dated as of June 1, 1999, between the Issuer and the Borrower, the proceeds of the Series 1999B Bonds will be used to make a loan to the Borrower (the "**Loan**"), evidenced by a note (the "**Note**") from the Borrower to the Issuer, to finance a portion of the costs of acquiring and rehabilitating the Development; and

WHEREAS, the Note relating to the Loan and the Series 1999B Bonds (but not the Mortgage Note) is assigned and pledged by the Issuer to the Trustee under a Trust Indenture for the Series 1999B Bonds; and

WHEREAS, in connection with the Loan and the Mortgage Loan, the Borrower has agreed to rent or lease at least 40% of the dwelling units in the Development to families or individuals

whose income is 60% or less of area median gross income, all for the public purpose of assisting persons of low and moderate income to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Code and the Regulations (as those terms are defined below) prescribe that the use and operation of the Development be restricted in certain respects in order to assure the continuing tax-exempt status of the Bonds, and in order to ensure that the Development will be acquired, constructed, used and operated in accordance with such requirements of the Code, the Regulations and the Act, the Trustee and the Borrower have determined to enter into this Agreement in order to set forth certain terms and conditions relating to the acquisition, rehabilitation, occupancy, use and operation of the Development.

NOW, THEREFORE, in consideration of the Loan and the Mortgage Loan and the mutual covenants and undertakings set forth in this Regulatory Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto covenant, agree and declare as follows:

Section 1. Definitions and Interpretations. Except as otherwise defined in this Agreement, the terms used in this Agreement, including its preambles and recitals, shall for all purposes have the meanings specified in the preceding language of this Agreement or Article I of the Trust Indenture dated as of June 1, 1999, between the Issuer and the Trustee, securing the Series 1999A Bonds (the "**Series 1999A Indenture**") Article I of the Trust Indenture dated as of June 1, 1999, between the Issuer and the Trustee, securing the Series 1999B Bonds (the "**Series 1999B Indenture**"), Article I of the Loan Agreement or Article I of the Financing Agreement, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"Borrower" means Community Housing Partners V L.P., an Illinois limited partnership, or the Person or Persons who shall succeed to the ownership of all or any part of the Development in accordance with the provisions of the Financing Agreement.

"Certificate of Continuing Program Compliance" means the certificate from the Borrower in substantially the form and covering the matters set forth in Exhibit C to this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"FHA" means the Federal Housing Administration.

"FHA Loan Documents" means collectively the Mortgage Note, the Mortgage, the FHA Regulatory Agreement and all other documents required by FHA in connection with the Mortgage Loan.

"FHA Regulatory Agreement" means the Regulatory Agreement for Multi-family Housing Projects, between the Borrower and the Secretary of HUD, together with any and all amendments thereto.

"HUD" means the United States Department of Housing and Urban Development.

"Low and Moderate Income Tenants" means and includes individuals or families with adjusted income, calculated in the manner prescribed in Regulation Section 1.167(k)-3(b)(3) as it shall be in effect on the date when the first of the Bonds is issued, which does not exceed sixty percent (60%) of the median gross income for the area in which the Development is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. That determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Development be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes.

"Mortgage" means the mortgage on the Development executed by the Borrower as of June 1, 1999, in favor of and for the benefit of the Lender.

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

"Qualified Development Period" means the period beginning on the date when the first of the Bonds is issued (which is after the date on which 10% of the units in the Development were first occupied) and ending on the latest of the date (i) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Development are occupied, (ii) which is the first date on which no tax-exempt private activity bond issued with respect to the Development is outstanding or (iii) on which any assistance presently provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates.

"Regulations" means the United States Treasury Regulations promulgated with respect to the Code.

"Tenant Income Certificate" means a sworn and notarized certificate in substantially the form and covering the matters set forth in Exhibit B to this Regulatory Agreement.

The rules of interpretation set forth in Section 1.2 of the Indenture shall apply equally to this Agreement. This Agreement and all of its terms and provisions shall be construed to effectuate the purposes set forth in and to sustain the validity of this Agreement.

Section 2. The Development to be Residential Rental Property. The Borrower represents, agrees, covenants and warrants as follows:

a) The Development is being acquired and rehabilitated for the purpose of providing a "qualified residential rental project," within the meaning of the Code. The Borrower shall own, manage and operate the Development as a "residential rental project" comprised of residential units and facilities functionally related and subordinate to them, in accordance with Section 142(d) of the Code and Section 1.103-8(b)(4) of the Regulations, as the same may be amended from time to time to the extent applicable to the Bonds. Upon the completion of the rehabilitation, the Development will consist of approximately 147 residential units located in 2 buildings. The Development is on a single tract of land which is leased to the Borrower pursuant to a ninety-nine year ground lease. The Development will consist of 2 buildings containing residential units and functionally related and

subordinate facilities, as provided in the Regulations. Acquisition and rehabilitation of the residential units and the functionally related and subordinate facilities are being funded in part by the Bonds. Each of the buildings, when rehabilitated, will be a discrete edifice or other person-made construction with (i) an independent foundation, (ii) independent outer walls, and (iii) independent roof, containing one (1) or more similarly constructed units.

b) Each residential unit in the Development does and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

c) None of the residential units in the Development is or shall at any time be used on a transient basis and no portion of the Development shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

d) The Borrower shall not give preference in renting residential units in the Development to any particular class or group of persons, other than Low and Moderate Income Tenants as provided in this Regulatory Agreement or as otherwise required by law.

e) At no time shall the Borrower occupy a residential unit in the Development, provided that a person employed by the Borrower to assist in the management of the Development who has no ownership or other interest in the Borrower may occupy a residential unit.

f) Any functionally related and subordinate facilities (e.g., parking garages or other areas, swimming pools, tennis courts, etc.) which are to be included as part of the Development will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use of those facilities if the charging of fees is customary for the use of such facilities and in any event, any fees charged will not be discriminatory or exclusionary as to the Low and Moderate Income Tenants.

Section 3. Continuous Rental.

a) The Borrower represents, covenants, agrees and warrants that at all times during the Qualified Development Period, each unit in the Development shall be rented or available for rental to members of the general public on a continuous basis, except as allowed by Section 2(d) above, and that it shall not grant any commercial leases or permit commercial uses for any space in the Development, except upon receipt by the Trustee of an opinion of Bond Counsel, which opinion is acceptable to the Trustee, that the lease or use will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

b) The Borrower shall not make any change in use of any portion of the Development except upon approval of the Issuer, which approval shall not be unreasonably withheld, or upon receipt by the Trustee of an opinion of Bond Counsel, acceptable to the Trustee that the change will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

Section 4. Low and Moderate Income Tenants. To the end of satisfying the requirements of Section 142(d)(2)(B) of the Code relating to individuals of low and moderate income during the Qualified Development Period, and related Regulations, the Borrower represents, covenants, agrees and warrants as follows:

a) At all times during the Qualified Development Period, at least forty percent (40%) of the completed residential units shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement, a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though that individual or family subsequently ceases to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the sixty percent (60%) income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or similar size in the Development is occupied by a new resident whose income exceeds that sixty percent (60%) limitation. A unit treated as occupied by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period (not to exceed 31 days)), at which time the character of the unit shall be redetermined.

b) If necessary, the Borrower shall refrain from renting residential units to persons other than Low and Moderate Income Tenants in order to avoid violating the requirement that at all times during the Qualified Development Period at least forty percent (40%) of the occupied residential units in the Development shall be occupied by Low and Moderate Income Tenants.

c) The Borrower shall determine annually the current income of each tenant treated as a Low and Moderate Income Tenant.

d) The Borrower shall obtain a Tenant Income Certificate with respect to each occupant in the Development who is intended to be a Low or Moderate Income Tenant signed by the tenant or tenants (*i.e.*, the person or persons whose names appear on the lease). The Borrower shall obtain such a Tenant Income Certificate prior to such tenant or tenants signing a lease with respect to a unit and commencing occupancy in it and also shall obtain such a Tenant Income Certificate for each subsequent year the tenant lives in the Development, signed by such person or persons and obtained at such time or times, all as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or later promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. The Borrower shall maintain on file all Tenant Income Certificates and upon obtaining each such Certificate shall promptly deliver a copy of it to the Trustee.

e) The Borrower shall prepare and submit to the Trustee on or before the first day of each March, June, September and December of each year during the Qualified Development Period, a Certificate of Continuing Program Compliance in substantially the form attached to this Agreement as Exhibit C executed by Borrower's Representative.

f) The Borrower shall submit to the Secretary of the Treasury an annual certification as to whether the Development continues to meet the low and moderate income

occupancy requirements set forth in the Code. Failure to comply with the requirements set forth in the preceding sentence shall not constitute a default under this Agreement, but may subject the Borrower to penalty as provided in Section 6652(j) of the Code.

Section 5. Tenants and Tenant Leases. In addition to the requirements contained in other Sections of this Agreement, the Borrower represents, covenants, agrees and warrants as follows:

a) All tenant lists, applications, certificates and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Development and shall be maintained, as required by the Issuer or the Trustee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Trustee. Failure to keep such lists and applications or to make them available to the Issuer or the Trustee shall be a default under this Agreement.

b) Each tenant lease for a Low and Moderate Income Tenant shall require the tenant to submit annual Tenant Income Certificates and to provide further information as the Borrower may reasonably require concerning such a Tenant Income Certificate, and that a failure to comply with these requirements or the filing of a false Tenant Income Certificate shall be a violation of a substantial obligation of his tenancy. The provisions of this Section 5 shall apply throughout the Qualified Development Period.

Section 6. Transfer Restrictions. During the Qualified Development Period, the Borrower shall not do any of the following: sell, transfer, assign, convey, change title to or otherwise dispose of the Development or any interest in it (a "Transfer"), in whole or in part, unless (1) the purchaser or assignee shall execute any necessary or appropriate document reasonably requested by the Trustee with respect to assuming its obligations under this Agreement and the Financing Agreement (the "Assumption Agreement"), which document shall be recorded in the Cook County Recorder's Office; (2) the Trustee shall have received an opinion of Bond Counsel, which opinion is acceptable to the Trustee, to the effect that such transfer will not adversely affect the exclusion from gross income of interest on any of the Bonds from gross income of their holders for purposes of federal income taxation; (3) the Borrower shall deliver to the Trustee an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Agreement and that such obligations and this Agreement are binding on the transferee; and (4) such other conditions are met as are set forth in or referred to in the Financing Agreement or as the Trustee may reasonably impose (upon advice of Bond Counsel) as part of the Assumption Agreement to protect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 7. Tax-Exempt Status of the Bonds. The Borrower and the Trustee each represent, agree and warrant that to the best of their ability and knowledge:

a) It will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of their holders for federal income tax purposes and, in particular, the Borrower will not permit any person to obtain an ownership interest in the Borrower unless, upon advice of Bond Counsel, the Trustee concludes that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is not adversely affected by such person obtaining such ownership interest. If it should

take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge of them. The Trustee acknowledges that Chicago Equity Fund 1998 Limited Partnership, a limited partner of the Borrower, has the right under the terms of the partnership agreement governing the operation of the Borrower to replace the general partner of the Borrower.

b) It will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Trustee, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exemption of interest on which depends upon continuing compliance with Section 142(d) of the Code and the Regulations under that Section.

c) It will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Trustee, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Development.

Section 8. Notice of Noncompliance; Corrective Action. As soon as is reasonably possible, the Borrower shall notify the Trustee of the existence of any situation or the occurrence of any event of which the Borrower has knowledge, the existence or occurrence of which would violate any of the provisions of this Agreement or cause the interest on the Bonds to become includable in gross income of their holders for federal income tax purposes unless promptly corrected. The Trustee shall promptly notify the Issuer of such event or situation upon receipt of notice from the Borrower. The Borrower covenants to commence appropriate corrective action within a reasonable period of time, but in no event later than sixty (60) days after such noncompliance is first discovered or should have been discovered by the exercise of reasonable diligence.

Section 9. Reliance; Compliance. The Borrower recognizes and agrees that the representations, warranties, agreements and covenants set forth in this Agreement may be relied upon by all persons interested in the legality and validity of the Bonds and in the exclusion of the interest on the Bonds from gross income of their holders for federal income tax purposes. In performing its duties and obligations under this Agreement, the Trustee may rely upon statements and certificates of the Borrower and tenants, and upon audits of the books and records of the Borrower pertaining to the Development. In addition, the Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee under this Agreement in good faith and in conformity with such opinion.

Section 10. Non-discrimination. The Borrower shall not, in the selection of tenants, in employment, in the provision of services or in any other manner, discriminate against any person on the ground of race, color, national origin, religion, creed, sex, handicap, family status or marital status or by reason of the fact that there are children in a prospective tenant's family.

Section 11. Term. This Agreement shall become effective upon its execution and delivery. Unless the Trustee shall have received a written opinion of Bond Counsel addressed to it to the effect that early termination of this Agreement will not adversely affect the exclusion of the interest on all of the Bonds from gross income of their holders for federal income tax purposes, this Agreement

shall remain in full force and effect for a term equal to the Qualified Development Period. Notwithstanding the immediately preceding sentence, this Agreement, and all and several of the terms of it, shall terminate and be of no further force and effect in the event of (x) involuntary noncompliance with the provisions of this Agreement caused by fire, seizure, requisition, foreclosure or delivery of a deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the date of this Agreement which prevents the Issuer from enforcing the requirements of this Agreement, condemnation or other similar event and (y) the payment in full and retirement of the Bonds within a reasonable period after that event. However, the preceding sentence shall cease to apply and the restrictions contained in this Section shall be automatically reinstated if, at any time subsequent to the foreclosure or the delivery of a deed in lieu of foreclosure or similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for federal income tax purposes. Upon the termination of all and several of the terms of this Agreement, the parties agree to execute, deliver and record appropriate instruments of release and discharge of the terms of this Agreement. However, the execution and delivery of such instruments shall not be a necessary prerequisite to the termination of this Agreement in accordance with its terms.

Section 12. Covenants to Run With Borrower's Interest in the Development. The Borrower subjects the Development to the covenants, reservations and restrictions set forth in this Agreement. The Borrower declares its express intent that the covenants, reservations and restrictions set forth in this Agreement shall be deemed covenants running with its leasehold interest in the Real Estate and the Development to the extent permitted by law and shall pass to and be binding upon the successors in title to the Development throughout the term of this Agreement. Each and every contract, deed, mortgage, assignment, sub-lease or other instrument executed covering or conveying the Development or any portion of it shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

Section 13. Enforcement. If the Borrower defaults in the performance or observation of any covenant, agreement or obligation of the Borrower set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice of the default shall have been given to the Borrower by the Issuer or the Trustee, then the Trustee, acting on behalf of the Bondholders or on behalf of the Issuer, shall declare an "Event of Default" to have occurred, and, at its option, may take any one or more of the following steps:

- a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under this Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under this Agreement;
- b) have access to and inspect, examine and make copies of all the books and records of the Borrower pertaining to the Development; or
- c) take such other action at law or in equity as may appear necessary or desirable to specifically enforce, or prohibit violations of, the obligations, covenants and agreements of the Borrower under this Agreement.

The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer or any person to exercise any or all of the rights or remedies under this Agreement. All reasonable fees, costs and expenses of the Trustee incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrower.

Notwithstanding the preceding paragraph, if the failure stated in the written notice cannot be corrected within such thirty (30) day period, the Trustee may consent in writing to an extension of such time period, which consent shall not be unreasonably withheld, if corrective action is instituted within such thirty (30) day period and diligently pursued to completion and if such extension does not, in the Trustee's judgment, adversely affect the interests of the holders of the Bonds.

Section 14. Bankruptcy. Neither the Borrower nor any permitted successor owner of the Development shall file any petition in bankruptcy or for the appointment of a receiver, or for insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy, the taking of possession of the Development or any part of the Development under judicial process pursuant to any power of sale. However, in the case of an involuntary petition, action or proceeding for an adjudication in bankruptcy, or for the appointment of a receiver or trustee of the property of the Borrower or any other owner of the Development, not initiated by the Borrower or any other owner of the Development, the Borrower or such other owner of the Development shall have ninety (90) days after the service of such petition or the commencement of such action or proceeding, as the case may be, within which to obtain a dismissal of such petition, action or proceeding.

Section 15. Recording and Filing. The Borrower shall cause this Agreement and all amendments and supplements to it to be recorded and filed in the conveyance and real property records of Cook County, Illinois. The Borrower shall pay all fees charges incurred in connection with any such recording.

Section 16. Agent of the Trustee. The Trustee shall have the right to appoint an agent or administrator to carry out any of its duties and obligations under this Agreement, and shall inform the other parties to this Agreement of any such agency appointment by written notice.

Section 17. No Conflict With Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that, in any event and except to the extent expressly provided in this Agreement, the requirements of this Agreement are paramount and controlling as to the rights and obligations in this Agreement set forth and supersede any other requirements in conflict with this Agreement.

Section 18. Interpretation. Any terms not defined in this Agreement, or defined as provided in this Agreement, shall have the same meaning as terms defined for purposes of Section 142(d) of the 1986 Code and in the Regulations.

Section 19. Amendments. This Agreement shall be amended only by a written instrument executed by the parties to it or their successors in title, and duly recorded in the real

property records of Cook County, Illinois, the county in which the Development is located. The Borrower shall pay all fees and charges incurred in connection with any such recording.

No amendment to this Agreement concerning matters governed by the Code or the Regulations shall be effective unless there shall have been filed with the Issuer a written opinion of Bond Counsel to the effect that (a) such amendment will not cause or result in interest on the Bonds becoming includible in gross income of their holders for federal income tax purposes, and (b) compliance with the terms and provisions of the Agreement, as so amended, will be sufficient to ensure full compliance with the requirements of Section 142(d) of the Code and all then-applicable rules, rulings, policies, procedures, portions of the Regulations, or other statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exclusion of interest from gross income on which depends on continuing compliance with that Section 142(d).

Section 20. Notices. Any notice, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered certified mail, return receipt requested, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance with this Agreement:

If to the Borrower, addressed to it at:

Chicago Community Development Corporation
Managing General Partner
36 South Wabash
Suite 1310
Chicago, Illinois 60603
Attention: Anthony J. Fusco, Jr.
Phone: (312) 422-7700
Facsimile: (312) 422-0708

with copies to:

Holleb & Coff
55 East Monroe Street
Suite 4100
Chicago, Illinois 60603
Attention: Douglas J. Antonio & Gail Beesen Dwars
Phone: (312) 419-4453
Facsimile: (312) 807-3900

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and to:

Chicago Equity Fund 1998 Limited Partnership
1 East Superior
Suite 604
Chicago, Illinois 60611
Attention: William W. Higginson
Phone: (312) 943-6688
Fax: (312) 943-9276

If to the Issuer, addressed to it at:

City of Chicago
Department of Finance
Financial Policy
City Hall, Room 501
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Managing Deputy Comptroller
Phone: (312) 744-9792
Facsimile: (312) 744-4877

with copies to:

Department of Housing
Developer Services
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Phone: (312) 747-6003
Facsimile: (312) 747-2751

and to:

Department of Law
City Hall, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Phone: (312) 744-1574
Facsimile: (312) 744-0852

If to the Trustee, addressed to it at:

Seaway National Bank of Chicago
645 East 87th Street
Chicago, Illinois 60619

Attention: Corporate Trust
Phone: (773) 602-4156
Telephone: (773) 487-0452

Section 21. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, 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 under it without the prior written approval of the Issuer.

Section 22. 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 or the intent of this Agreement.

Section 23. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 24. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, other than the choice of law rules of the State of Illinois and, where applicable, the law of the United States of America.

Section 25. Subordination. The Issuer and the Borrower agree that this Regulatory Agreement shall be subordinate in all respects to all applicable HUD mortgage insurance regulations and related administrative requirements and to the Mortgage, and the Borrower shall on behalf of itself, at the written request of the holder of the Mortgage, execute such instruments as may be required to implement and evidence the subordination expressed in this Section 26. The Issuer, the Trustee and the Borrower further agree that this Agreement shall terminate if the Development is acquired by an entity other than the obligor on the Note or a "related person" thereto by foreclosure of the Mortgage, conveyance of the Project by deed-in-lieu of foreclosure or comparable conversion of the Mortgage, such termination to be effective as of the date of such foreclosure, deed-in-lieu of foreclosure or conversion. No right or authority on the part of the Trustee or any other party which is provided by this Agreement with respect to the Development shall survive the foreclosure, granting of a deed-in-lieu of foreclosure or comparable conversion and no such right or authority shall apply to the Development if title is transferred pursuant to or following any such foreclosure, deed-in-lieu of foreclosure or comparable conversion.

Section 26. Conflict with Mortgage and HUD Regulations; Supremacy of Mortgage and HUD.

(a) Notwithstanding anything in this Agreement to the contrary, the provisions of this Agreement are subject and subordinate to the National Housing Act, all applicable HUD insurance (and Section 8, if applicable) regulations and related administrative requirements, and the FHA Loan Documents, and all applicable GNMA regulations and related administrative requirements; and in the event of any conflict between the provisions of this Agreement and the provisions of the National Housing Act, any applicable HUD (and Section 8, if applicable) regulations, related HUD administrative requirements and the FHA Loan Documents, and any applicable GNMA regulations and

related GNMA requirements, the said National Housing Act, HUD (and Section 8, if applicable) regulations, related administrative requirements and FHA Loan Documents, and the said GNMA regulations and related requirements shall be controlling in all respects.

(b) The failure on the part of the Borrower to comply with the provisions of this Agreement cannot be and will not be deemed to be the basis for a default under the FHA Loan Documents.

(c) Enforcement of the provisions of this Agreement shall not result in any claim against the Project, the proceeds of the Mortgage Loan or the Loan, any reserve or deposit made with the Lender or any other person or entity required by HUD in connection with the Mortgage Loan, or the rents or other income from the Project other than available "Surplus Cash" (as such term is defined in the FHA Regulatory Agreement).

(d) The Borrower shall not be deemed to be in violation of this Agreement if it shall take (or refrain from taking) any actions required (or prohibited) by HUD pursuant to the National Housing Act, applicable HUD (and Section 8, if applicable) insurance regulations, related administrative requirements, the FHA Loan Documents, applicable GNMA regulations and related GNMA requirements.

(e) This Agreement and the restrictions hereunder are subject and subordinate to the lien and security interest granted by the Mortgage. In the event of foreclosure or transfer of title by deed in lieu of foreclosure, this Agreement and the restrictions hereunder shall automatically and immediately terminate and shall thereafter be of no further force and effect.

(f) Any project funds held by the Lender for or on behalf of the Borrower under the contract of mortgage insurance with FHA shall be maintained separate and apart from the funds established and held by the Trustee for the owners of the Bonds and the various escrows and funds, if any, under the Indenture.

(g) This Agreement may not be amended without the prior written approval of HUD.

(h) The provisions of this Agreement shall inure to the benefit of HUD, its successors and assigns.

(i) In consideration of HUD's agreeing to insure the Mortgage Loan, and in reliance by HUD upon the promises of the mortgagor, mortgagee and Issuer to comply herewith, HUD has reserved the right to require the Trustee to remove or void any restrictions set forth in this Agreement that exceed the requirements of the Internal Revenue Code upon a determination by HUD that the restrictions are threatening the financial viability of the Development (i.e., impairing the mortgagor's ability to sustain a level of income sufficient to meet all financial obligations of the Development, including debt service costs, HUD-required escrows, and Development operating expenses). In the absence of the Trustee's compliance with a HUD request that it remove or void the restrictions, the Trustee Issuer expressly recognizes the power of HUD to take the appropriate action to unilaterally

remove or void the restrictions and that HUD shall not have to look any further than the legal instrument containing the restrictions for the power to remove or void it.

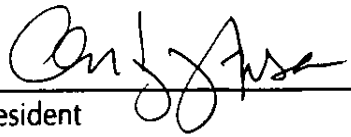
Section 27. Limited Recourse. Notwithstanding any provisions of this Agreement to the contrary, enforcement of the provisions of this Agreement shall not result in any claim against the Project, the mortgaged property, Mortgage Loan or Loan proceeds, any reserve or deposit required by the Lender, HUD or GNMA in connection with the Mortgage Loan, or the rents or other income from the Development (except to the extent of Surplus Cash available for distribution to the Owner). Notwithstanding any other provision of this Agreement, any monetary obligation created under this Agreement shall not be enforceable personally against the Owner or any partner of the Owner, their successors and assigns, or against the assets of the Owner, its successors or assigns.

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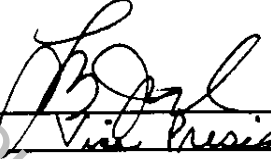
IN WITNESS WHEREOF, the Trustee and the Borrower have caused this Regulatory Agreement and Declaration of Restrictive Covenants to be duly executed and attested in their respective names by their duly authorized representatives, all as of the day and year first above written.

COMMUNITY HOUSING PARTNERS V L.P.,
an Illinois limited partnership

By: Chicago Community Development Corporation,
an Illinois corporation
Its: General Partner

By: 
Its: President

SEAWAY NATIONAL BANK OF CHICAGO
as Trustee

By: 
Its: President

Property of Cook County Clerk's Office

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99555218

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

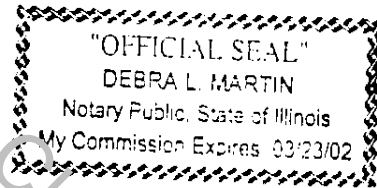
I, Debra L. Martin, a Notary Public in and for the County and State aforesaid, CERTIFY that Anthony Fusco, Jr., personally known to me to be the President of Chicago Community Development Corporation, an Illinois corporation, the general partner of **COMMUNITY HOUSING PARTNERS V L.P.**, an Illinois limited partnership 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 foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of the partnership for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this 9th day of June, 1999.

Debra L. Martin
Notary Public
in and for Cook County, Illinois

(SEAL)

My Commission Expires:



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Debra L. Martin, a Notary Public in and for the County and State aforesaid, CERTIFY that Lois B. Jenkins, personally known to me to be the Vice President of SEAWAY NATIONAL BANK OF CHICAGO, as Trustee, 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 she signed and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes set forth in such instrument.

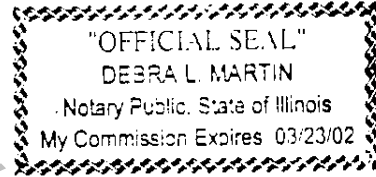
GIVEN under my hand and Notarial Seal this 4th day of June, 1999.

Debra L. Martin

Notary Public
in and for Cook County, Illinois

(SEAL)

My Commission Expires:



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EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT SITE

A Tract of land located in the West ½ of the Northeast 1/4 of Section 28, Township 39 North, Range 14, East of the Third Principal Meridian, described as Follows:

Commencing at a point on the West line of South Princeton Avenue, being its intersection with the South line of West Cermak Road as widened; thence South 00°16'19" West along said West line of South Princeton Avenue, 432.65 feet to a point 156 feet North of the intersection of the West line of South Princeton Avenue and the North line of West 23rd Street; thence North 89°45'00" West, 97.20 feet; thence South 58°10'39" West, 296.82 feet to a point on the North line of said West 23rd Street, 348.66 feet West of the intersection of the West line of South Princeton and the North line of West 23rd Street; thence South 89°59'09" West, along said North line 37.67 feet; thence North 00°01'43" West, 97.98 feet; thence North 58°04'19" East, 81.33 feet; thence North 00°01'17" East, 269.69 feet to the South line of South Archer Avenue; thence North 58°07'27" East, along said South line, 337.73 feet to the South line of West Cermak Road as widened; thence South 89°57'00" East, along said South line, 33.25 feet to the Point of Beginning. Containing 3.109 acres and subject to all road rights of way, easements and restrictions of record, or implied, if any.

Basis of bearing the West line of South Princeton Avenue assumed bearing of South 00°16'19" West.

NOTE: Property is located in Flood Zone "C" (area of minimal Flooding) per Community Panel Number 170074 0075B, dated June 1, 1981.

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EXHIBIT B

FORM OF TENANT INCOME CERTIFICATE

COMMUNITY HOUSING PARTNERS V L.P.

Name of Tenant (i.e., person or persons whose names appear on the lease): _____

Address of Apartment: _____

Apartment Number: _____

Some or all of the cost of the apartment Development in which you are to lease an apartment was financed by bonds issued for the benefit of the owner. Interest paid on those bonds is intended to be exempt from federal income tax. In order to qualify for that exemption there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements, it is necessary for you to provide the information requested in this Tenant Income Certificate at the time you sign your lease and annually after you become a Tenant.

I. ANTICIPATED INCOME

For each person who is now occupying or is expected to occupy your apartment unit at any time during the next twelve months, please provide the following information:

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

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*State the gross amount of compensation, before any payroll deductions, including any bonuses, overtime pay, tips, commissions or fees anticipated to be received during the next twelve months.

**Other income generally includes income anticipated to be received from any source whatsoever during the next twelve months, including but not limited to:

- (a) interest and dividends;
- (b) rental income;
- (c) net income from a profession or operation of a business;
- (d) payments in lieu of earnings, such as unemployment compensation;
- (e) periodic payments (not lump-sum payments) received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits;
- (f) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts from persons not listed above; and
- (g) public assistance, but if the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included shall consist of:

- (1) the amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

- (2) the maximum amount which the public assistance agency could in fact allow the occupant for shelter and utilities.

Do not include the amount of other income shown above the following items:

- (a) casual, sporadic or irregular payments you may receive;
- (b) amounts which are specifically for or in reimbursement of the cost of medical expenses;
- (c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlements for personal or property losses;
- (d) amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment; provided that any amounts of such scholarships, or payments to veterans not used for the above purposes which are available for subsistence are to be included in income;

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(e) the special pay to a serviceman head of a family away from home and exposed to hostile fire;

(f) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the occupants of the dwelling unit;

(i) payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(1) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs; and

(2) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE).

II. CAPITAL ASSETS

If any of the persons listed above has any savings, stocks, bonds, real estate or other form of capital investment (except for necessary items such as furniture, automobiles, etc.), please provide the following information:

(a) the total value of all such assets presently owned by all such persons:
\$ _____, and

(b) the amount of income expected to be derived from such assets in the 12-month period commencing this date (which should be included in "other income" shown above):
\$ _____.

III. STUDENTS

(a) Will all of the persons listed above be (or have they been) full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____

No _____

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(b) Is any such full-time student married and eligible to file a joint federal income tax return?

Yes _____

No _____

I, the undersigned, certify that I have read and answered fully, frankly and personally each of these questions and requests for information for all persons who now occupy or are to occupy the unit in the above Development. I acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on bonds issued to finance the Development containing the unit which I now or which I intend to occupy. I consent to the disclosure of this information to the Issuer of such bonds, the owners of such bonds and any agent acting on their behalf.

I certify under penalty of perjury that these statements are true and correct.

Executed this ____ day of _____, _____, at Chicago, Illinois.

Tenant

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County in the State
aforesaid, certify that _____, 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
severally acknowledged that he/she signed and delivered the instrument, as his/her free and voluntary
act, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this ____ day of _____, 1999.

Notary Public
in and for Cook County, Illinois

(SEAL)

My Commission Expires:

Property of Cook County Clerk's Office

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IV. FOR COMPLETION BY BORROWER OF APARTMENT DEVELOPMENT

99555218

(a) Anticipated Income Computation:

(1) Total income from Part I. \$ _____

(2) If 10% of the amount shown on Part II(a) exceeds the amount on Part II(b), enter the amount of such excess. \$ _____

(3) Anticipated Income ((1) + (2)) \$ _____

(b) Insert an [X] in the bracket opposite whichever of the following statements is applicable:

[] (1) Because total Anticipated Income is less than \$ _____, the apartment is occupied by Low and Moderate Income Tenants.

[] (2) The apartment is not occupied as provided in (1) above.

(c) The number of units in the Development which are presently occupied is _____.

(d) The number of units occupied by Low and Moderate Income Tenants (i.e., occupants' Anticipated Income does not exceed \$ _____ based upon Tenant Income Certificates on file) is _____. The number of units which were previously occupied by Low and Moderate Income Tenants but have been vacated and have not been reoccupied (other than for a temporary period of no more than 31 days) is _____. The sum of the units described in this paragraph (d) is equal to _____% of the total number of occupied units from paragraph (c) above.

The undersigned certifies that he or she is the _____ of Community Housing Partners V L.P. and that the above determinations and calculations have been completed to the best knowledge of the undersigned after due inquiry, and the undersigned does not believe or have any reason to believe that the information in the Tenant Income Certificate is inaccurate or has been given falsely.

Date: _____, 1999

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EXHIBIT C
99555218

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned is the general partner of Community Housing Partners V L.P. and has read and is thoroughly familiar with the provisions of the various Loan Documents associated with the Borrower's participation in the financing by the City of Chicago, Illinois of the acquisition and rehabilitation construction of the Archer Courts Apartments, such documents including:

1. the Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 1, 1999, among the Borrower and the Trustee;
2. the Financing Agreement, dated as of June 1, 1999, between among June 10, 1999, of the Borrower representing the Borrower's obligation to repay the loan made to it by TRI Capital Corporation from proceeds received pursuant to the Financing Agreement described above;
4. the Loan Agreement, dated as of June 1, 1999, between the Borrower and the Issuer; and
5. the Note, dated as of June 10, 1999, of the Borrower representing the Borrower's obligation to repay the loan made to it by the Issuer pursuant to the Loan Agreement described above.

As of the date of this certificate, the following number of residential units in the Development (i) are occupied by Low and Moderate Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Low and Moderate Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days, as indicated:

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Number of units occupied by Low and Moderate
Income Tenants _____

Number of units previously occupied by Low and
Moderate income tenants (vacated and not
reoccupied except for a temporary period of no
more than 31 days) _____

Total Number of Low and Moderate
Income Units* _____

The total number of occupied
residential units in the Development is

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

Dated: _____

COMMUNITY HOUSING PARTNERS V L.P.,
an Illinois limited partnership

By: Chicago Community Development Corporation,
an Illinois corporation

Its: General Partner

By: _____

Its: _____

The number of Low and Moderate Income Tenants shown above is ___% of the total number of occupied units.