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STATE OF INDIANA
LAKE COUNTY
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MICHELLE R. FAJMAN
RECORDER

This instrument prepared by:

Drew Marlar, Esq.
Kutak Rock LLP
225 Peachtree Street, Suite 2100
Atlanta, Georgia 30303

After recording, return to:

The Community Builders, Inc.
95 Berkeley Street
Suite 500
Boston, MA 02116
Attention: NSP 2 Program Manager



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LAND USE RESTRICTION AGREEMENT

This **LAND USE RESTRICTION AGREEMENT** ("Agreement") is dated effective the 30th day of September 2011, by and between **THE COMMUNITY BUILDERS, INC.**, a Massachusetts nonprofit corporation (the "Lender") and **NORTHTOWN VILLAGE SENIOR APARTMENTS LIMITED PARTNERSHIP**, an Indiana limited partnership (the "Owner").

RECITALS:

A. Owner owns land (the "Land") described in the attached **Exhibit A**. Owner will acquire and rehabilitate a multi-family rental housing project on the Land (the "Project"), and the Project will be known as "Northtown Village Senior Apartments" (the Land and all current and future improvements on or to the Land, including the Project, are collectively referred to as the "Property"). The Project will have a total of 56 rental units plus 1 manager's unit, all of which will be NSP-Assisted Units subject to rental restrictions in compliance with the terms and conditions of the Neighborhood Stabilization Program 2 ("NSP") pursuant to Title III of Division B of the Housing and Economic Recovery Act of 2008 ("HERA"), the American Recovery and Reinvestment Act of 2009 ("ARRA") and the regulations issued by HUD (collectively, the "NSP Regulations").

**PROFESSIONALS' TITLE SERVICE
HAS MADE AN ACCOMMODATION**

483 **RECORDING OF THE INSTRUMENT**

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B. Lender is lending Owner \$10,100,000 in NSP funds, which Owner is to use to acquire, construct or rehabilitate the Project (the "Loan"). The Loan is evidenced by two promissory notes from Owner to Lender (collectively, the "Note").

C. Pursuant to the NSP Regulations, the Lender will be utilizing the rental restrictions contained in Section 215(a)(1)(E) of the HOME Act, the HOME Rules, and the HOME Regulations and Owner must comply with occupancy, rent, and other restrictions that will run with the Land for the Affordability Period, and the purpose of this Agreement is to set forth those restrictions and other agreements of the parties.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties agree as follows:

Article 1. Definitions

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings in this Agreement:

"Adjusted Income" means "adjusted income" as defined in the HOME Regulations.

"Affordability Period" means the period from the date of this Agreement through the date that is thirty (30) years after the "project completion" date, as that term is defined in the HOME Regulations, or the date the Loan is paid in full, whichever is later.

"Annual Income" means "annual income" as defined in the HOME Regulations.

"Area Median Income" or "AMI" means the median income, adjusted for family size, for the area where the Property is located, as established by HUD at least annually.

"Business Day" means a day on which the Lender is open for the transaction of business in Boston, Massachusetts. Any other reference to "day" means a calendar day.

"Family" (which need not be capitalized) means "family" as defined in the HOME Regulations and includes a single person and a one-member family.

"Foreclosure" or any variation on such word, such as "foreclose," (none of which need be capitalized) includes a sale under power and a deed in lieu of foreclosure.

"HOME Act" means the HOME Investment Partnerships Act at Title II of the Cranston-Gonzalez National Affordable Housing Act, Pub. L. 101-625, as amended, or any corresponding provision(s) of succeeding law, as amended from time to time.

"HOME Program" means the program established pursuant to the HOME Act and the HOME Regulations.

“HOME Regulations” mean the regulations under the HOME Act governing the HOME Program by HUD or any successor, as amended from time to time (currently at Title 24 Part 92 of the Code of Federal Regulations).

“HOME Rules” mean all of Lender’s guidelines, rules, and manuals relating to the HOME Program, including the qualified allocation plan and the application manual, and any subsequent amendments to such guidelines, rules, and manuals.

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

“Including” (which need not be capitalized) means “including (but not limited to),” unless specifically limited.

“Low Income Family” means a family, in which the aggregate Annual Income of all members does not exceed 80% of the Area Median Income

“Low-, Moderate-, and Middle- (“LMM”) Income Family” means a family, in which the aggregate Annual Income of all members is between 80% - 120% of Area Median Income.

“NSP-Assisted Units” means the Project Units subject to the rental restrictions more particularly described on **Exhibit B**.

“New Entity” means (a) if Owner is a natural person, any person who has or had family ties with Owner; (b) any Person that has or had business ties with Owner, including any Person in which Owner is or was a principal or in which Owner has or had any ownership interest or any Person that: (1) directly or indirectly controls or controlled or is or was controlled by or is or was under common control with Owner; (2) is or was an officer of, partner in or of, member or manager of, trustee of, or serves in a similar capacity with Owner or of which Owner is or was an officer, partner, manager, member, or trustee, or with which Owner serves in a similar capacity; or (3) is or was a principal in Owner or the beneficial or legal owner, directly or indirectly, of any ownership interest in Owner; (4) was a developer of the Project.

“NSP Funds” means funds provided under the NSP Program.

“Owner” means the current owner of the Project or the Property and any subsequent owner of any such property during the Affordability Period.

“Person” means a natural person or any business entity, including a corporation, partnership, limited liability company, trust, joint venture, or any other business combination.

“Section 8” means section 8 of the United States Housing Act of 1937 or any corresponding provision(s) of succeeding law, as amended from time to time.

“Security Deed” means the Mortgage, Security Agreement and Fixture Filing from Owner to Lender transferring the Property as security for payment of the Loan.

“Unit” means a NSP-Assisted Unit, *i.e.*, an apartment or other residential unit on the Land that was rehabilitated with NSP funds and is reserved for rental to Very Low Income Families, Low

Income Families or LMM Income Families or an apartment or other residential unit that is not rehabilitated with funds provided under the NSP Program, but which is subsequently designated as being reserved for rental to Very Low Income Families, Low Income Families or LMM Income Families under this Agreement.

“Utility Allowance” means a monthly allowance for utilities and services (excluding telephone) to be paid by the tenant, as initially established or approved by Lender, which monthly allowance is subject to Lender’s modification or approval on an annual basis.

“Very Low Income Family” means a family, in which the aggregate Annual Income of all members does not exceed 50% of the Area Median Income.

Article 2. Use and Occupancy Limitations

2.01. Use of the Property. During the Affordability Period on a continuous basis, Owner will: (a) maintain the Property as rental housing and will rent or offer to rent Units to Very Low Income Families, Low Income Families and LMM Income Families as required on **Exhibit B**.

2.02. Reserved.

2.03. Occupancy Requirements. During the Affordability Period, Owner shall make the NSP-Assisted Units continuously available for occupancy by Very Low Income Families, Low Income Families and LMM Income Families as described on **Exhibit B**.

2.04. Income Determination.

(a) In accordance with procedures set forth in the NSP Regulations, the HOME Regulations and the HOME Rules, Owner shall determine and verify whether the Annual Income of a family seeking to occupy a Unit exceeds the applicable income limit (including asset income) for Very Low Income Families, Low Income Families or LMM Income Families (as the case may be) before permitting the family to rent and occupy the Unit or before designating a rental unit occupied by such family as a Unit. At the time a family signs a lease for a Unit, it must be income eligible in accordance with the limitations set forth in this Agreement. The tenant shall sign all tenant certifications of income.

(b) Owner shall not be in violation of Section 2.03 or 2.04 if, in determining Annual Income and family composition of tenants or prospective tenants: (1) Owner has relied in good faith upon information that the tenant or prospective tenant supplied to Owner; (2) Owner has no reason to believe such information is false; and (3) Owner has complied with all requirements of Lender, the NSP Regulations, the HOME Regulations, and the HOME Rules for verification of household income and family composition.

2.05. Recertification and Over-Income Tenants. In accordance with the procedures and requirements set forth in the NSP Regulations, the HOME Regulations and the HOME Rules, Owner shall annually re-examine and verify the Annual Income for all tenants occupying Units. If it is determined upon re-examination of the Annual Income of a tenant that the family’s Annual Income exceeds the applicable income limit (such a tenant is referred to as an “over-income tenant”), the Unit occupied by such family shall nonetheless be counted as

occupied by a Very Low Income Family, Low Income Family or LMM Family (as the case may be) for all other purposes under this Agreement so long as the tenant pays as rent the lesser of the following (less the Utility Allowance): (1) 30% of the family's annual Adjusted Income; (2) the maximum rents payable under state or local law; or (3) if the Units in the Project are "floating" (as that term is defined in the HOME Regulations), the "fair market rent" for existing housing for comparable units in the area of the Project (as determined by HUD).

2.06. Section 8 Certificate Holders. During the Affordability Period, Owner shall not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8, unless such prospective tenant fails to meet the minimum requirements applicable to all prospective tenants.

Article 3. Rent Limitations

3.01. Rent Limitations. The maximum rents that Owner may charge to Very Low Income Families, Low Income Families and LMM Income Families during the Affordability Period are set forth in **Exhibit B**. All rental amounts shall be subject to the Lender's prior approval.

3.02. Rent Increases. Subject to Lender's prior written approval and the provisions of outstanding leases for Units, the maximum rents in Exhibit B may be increased annually as allowed by HUD. In any event, Owner must provide tenants of Units at least 30 days prior written notice before implementing any rent increase. Lender shall review the maximum rents Owner is charging on an annual basis.

Article 4. Administration

4.01. Reporting. Owner shall submit quarterly occupancy reports and copies of tenant income certifications for Units leased during the quarter to Lender. The reports shall be in the form prescribed by the NSP Regulations and the HOME Rules and contain a certification in form and content satisfactory to Lender.

4.02. Reserved.

4.03. Maintenance of Records and Documents. During the Affordability Period (unless a longer or shorter period is specified by the NSP Regulations, the HOME Regulations or HOME Rules), Owner shall keep and maintain in good order sufficient records and documents to enable Lender to determine if the requirements of this Agreement are being met and any other document or record required by the NSP Regulations, the HOME Regulations or HOME Rules, including all tenant lists, applications to rent Units, tenant income certifications and related documents, leases, waiting lists, and income examinations and re-examinations relating to the Property, which records shall be kept separately from any other business records of Owner that are unrelated to the Property. Owner shall maintain all records relating to the Property in compliance with the NSP Regulations, the HOME Regulations, the HOME Rules, and any Lender requirements and in a reasonable condition for proper audit.

4.04. Compliance Reviews. During the Affordability Period, Owner is responsible for compliance with all requirements of the NSP Regulations, the HOME Regulations, the HOME Rules, and this Agreement, and Lender or its agent or contractor or HUD will monitor the

Project's compliance. Such monitoring will include on-site inspections, and, during business hours, representatives of Lender, HUD, or the United States Comptroller General or a designated representative or representatives shall have access to the Property and the right to examine and photocopy any records relating to tenants or the Property, and Owner shall cooperate with Lender, HUD, or the Comptroller General (as the case may be) in connection with any such inspection or examination. If Lender or any other agency or person is denied the access and examination rights granted under this Agreement, and, notwithstanding section 6.01(a), if such denial is not cured within 24 hours after Lender has given Borrower written or verbal notice of the breach, it shall be deemed a material breach of this Agreement and an "Event of Default" within the meaning of Article 6. If Lender determines that Owner is not in compliance, Lender shall notify Owner in writing and will assign a cure period, as determined by Lender in its discretion. If Owner does not cure the non-compliance within the assigned cure period, unless Lender in its sole discretion deems an extension of the cure period justified, Owner will be in default under this Agreement.

Article 5. Owner's Representations and Warranties

5.01. Representations and Warranties. Owner represents and warrants to Lender that:

(a) 56 Units will be rehabilitated with NSP Funds.

(b) Owner has validly executed this Agreement, and it is a valid and binding obligation of Owner. Owner has full power, authority, and capacity to enter into this Agreement, carry out Owner's obligations in this Agreement, and assume responsibility for compliance with all applicable rules, regulations, and requirements governing the NSP Program, the HOME Program, including the NSP Regulations, the HOME Regulations and the HOME Rules.

(c) To the best of Owner's knowledge, the making of this Agreement and the fulfillment of Owner's obligations under it: (1) will not violate any contractual covenants or restrictions between Owner and any third party; (2) will not violate any contractual covenants or restrictions affecting the Land or the Property; (3) will not conflict with any applicable public or private restrictions affecting the Land or the Property; (4) do not require any consent or approval of any public or private authority that has not already been obtained; and (5) will not conflict with any of the instruments that create or establish Owner's authority.

(d) Owner has not and will not execute any other agreement or instrument that conflicts with any provision of this Agreement. In any event, Owner agrees that this Agreement is paramount and controlling as to the rights and obligations contained in it and supersedes any other requirements in conflict with it.

(e) Owner has freely and without reservation executed this Agreement. The receipt of financial assistance from the Lender is an essential part of the consideration for this Agreement.

5.02. Indemnification. Owner indemnifies Lender against all liabilities, losses, claims, and expenses (including reasonable attorneys' fees) incurred by Lender as a result of any

misrepresentation or breach of warranty in this Agreement or any other breach of this Agreement by Owner.

Article 6. Default, Enforcement, and Remedies

6.01. Events of Default. If any of the following events occur, it will constitute an Event of Default under this Agreement:

(a) Owner's failure to observe or perform any of its obligations or covenants under this Agreement, unless the failure is cured within 30 days after Lender's giving written notice to Owner unless a shorter cure period is specified elsewhere in this Agreement; or

(b) Any warranty or representation of Owner contained in this Agreement is untrue or misleading when made; or

(c) A default or Event of Default under any other agreement or instrument by Owner relating to the Loan.

6.02. Remedies. If there is an Event of Default, in its sole discretion, Lender may: (1) apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, for an injunction against any violation of this Agreement, or for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Agreement; or (2) take any and all action at law, in equity, in restitution, or otherwise which it deems necessary or advisable. Owner hereby acknowledges that Lender cannot be adequately compensated by monetary damages for an Event of Default and, consequently, equitable relief for a breach of this Agreement is appropriate. Lender shall be entitled to its reasonable attorneys' fees in any such judicial action in which Lender prevails in whole or part.

6.03. Cumulative Remedies. Lender's rights and remedies under this Agreement are separate, distinct, and cumulative of other powers and rights that Lender has in law or equity or under any other agreement or instrument relating to the Loan. No right or remedy of Lender is exclusive. All of them are cumulative. No act of Lender shall be construed as an election of an exclusive remedy, unless Lender indicates so in writing. The fact that Lender exercises or begins to exercise any one or more of its rights, powers, or remedies shall not preclude Lender from simultaneously or later exercising any other right, power, or remedy that Lender may have.

6.04. Enforcement. Any deed, lease, conveyance, contract, or instrument made in violation of this Agreement by Owner shall be void and may be set aside on Lender's petition, and all successors, heirs, executors, administrators, or assigns, shall be deemed parties to this Agreement to the same effect as the original signer. When any such conveyance or other instrument is set aside by decree of a court of competent jurisdiction, all costs and all expenses of such proceedings shall be taxed against the offending party or parties and shall constitute a lien against the real estate so wrongfully deeded, sold, leased, or conveyed, until paid. Such lien may be enforced in such manner as the court may order.

Article 7. Revival of Agreement

7.01. Revival of Agreement. Subject to the remaining provisions of this section, if a Person forecloses the Owner’s interest in the Property and if such Person’s mortgage or security deed was prior to the Security Deed and this Agreement, this Agreement and the restrictions and covenants in it shall terminate and no longer affect the Property. Notwithstanding such a foreclosure, however, this Agreement and the covenants and restrictions in it shall be revived and shall remain in force for the remainder of the Affordability Period when and if: (a) the Owner at the time of or immediately before such foreclosure acquires or obtains any ownership interest in the Project or the Property at any time after the foreclosure, but during the Affordability Period; or (b) if a New Entity acquires any ownership interest in the Project or the Property at any time during the Affordability Period.

Article 8. Miscellaneous

8.01. Notices. (a) All notices and other communications required or permitted under this Agreement shall be in writing and addressed to the other party at the address set forth in this section. All such notices shall be deemed to have been given and received as follows: 3 business days from the date of deposit in the U.S. mail, certified mail, return receipt requested, postage-prepaid; or when hand delivered by the party, an overnight service (such as FedEx), or a courier service. The following addresses shall be used:

If to Owner: Northtown Village Senior Apartments Limited Partnership
135 South LaSalle Street - Suite 3350
Chicago, IL 60603
Attention: Jacques Sandberg

If to Lender: The Community Builders, Inc.
95 Berkeley Street
Suite 500
Boston, MA 02116
Attention: NSP 2 Program Manager

With a Copy to: The Community Builders, Inc.
95 Berkeley Street
Suite 500
Boston, MA 02116
Attention: General Counsel

(b) Owner or Lender may change the address to which notices are to be sent by giving the other party 10 business days written notice of the change.

8.02. Waiver and Partial Exercise. No failure or delay on the part of Lender to exercise any right, power, or privilege under this Agreement shall operate as a waiver of any such right, power, or privilege. Lender’s failure to exercise, delay in exercising, or partial exercise of any such right, power, or privilege shall not preclude any other or further exercise of any such right, power, or privilege.

8.03. Governing Law; Waiver of Statutory Rights. The interpretation, construction, validity, and enforcement of this Agreement shall be governed by Indiana law. If any part of this Agreement requires judicial interpretation, the court interpreting or construing it shall not apply a presumption that the terms shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared it, since it is agreed that the agents of both parties have participated in the preparation of this Agreement.

8.04. Time of Essence. Time is of the essence of this Agreement.

8.05. Severability. If for any reason any part or portion of this Agreement is set aside or found to be unlawful, those lawful parts or portions remaining shall continue in full force and effect.

8.06. Binding Effect; Covenants Running with the Land. During the Affordability Period, this Agreement and the covenants, reservations, and restrictions contained in it shall be deemed covenants running with the land for the benefit of Lender and its successors and assigns and shall pass to and be binding upon Owner's heirs, assigns, and successors in title to the Property and shall render Owner, and any heirs, assigns, and successors liable for any Event of Default. Subject only to section 7.01, only upon expiration of the Affordability Period will the covenants, reservations, and restrictions in this Agreement expire. This Agreement constitutes a charge upon the Property and is not merely a personal obligation of Owner. Owner hereby acknowledges that this Agreement affects the legal rights that flow from ownership of the Property and that are connected with the Property. Each and every contract, deed, or other instrument subsequently executed covering or conveying the Property or any part 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.

This Agreement will inure to the benefit of and be binding upon the respective parties and their successors and assigns; provided, however, no right, benefit, or advantage inuring to Owner under this Agreement and no obligation imposed on Owner may be assigned without Lender's prior written approval.

8.07. Effective Date. This Agreement shall be effective on the date of this Agreement.

8.08. Change in Neighborhood. A substantial or radical change in the character of the neighborhood surrounding the Land will not extinguish the restrictive covenants in this Agreement. The restrictive covenants shall survive any and all changed circumstances, including the following: housing pattern changes; zoning amendments; the issuance of variances affecting the immediate or surrounding area; increased traffic or road conditions; enhancement of the value of the Property; growing industrial activity; encroachment of business areas; development of natural resources; financial downturn of Owner; or commercialization of the neighborhood in question.

8.09. Attorney's Fees. Any reference to "reasonable attorney's fees" in this Agreement means reasonable attorney's fees, actually incurred, without regard to any statutory presumption or definition as to what "reasonable" attorney's fees means.

8.10. NSP Regulations, HOME Regulations and HOME Rules. If there is a conflict between the NSP Regulations, the HOME Regulations and HOME Rules, the more restrictive shall control. If there is a conflict between this Agreement and the NSP Regulations, the HOME Regulations or HOME Rules, the NSP Regulations, the HOME Regulations or HOME Rules (as the case may be) shall control. Subject to the foregoing, the NSP Regulations, the HOME Regulations and HOME Rules are incorporated into this Agreement by reference.

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[Signatures on next page]

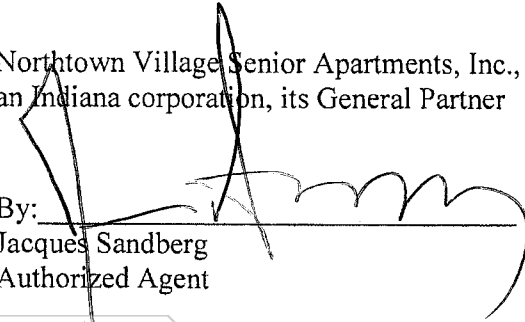


IN WITNESS WHEREOF, the parties have executed this Land Use Restriction Agreement as of the above date.

OWNER:

NORTHTOWN VILLAGE SENIOR APARTMENTS LIMITED PARTNERSHIP, an Indiana limited partnership


By: Northtown Village Senior Apartments, Inc., an Indiana corporation, its General Partner

By: 
Jacques Sandberg
Authorized Agent

STATE OF ILLINOIS
COUNTY OF COOK

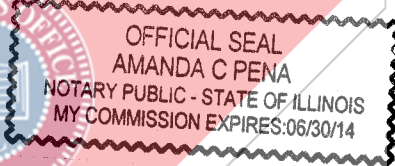
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The foregoing instrument was acknowledged before me on September 27, 2011 by Jacques Sandberg, the Authorized Agent of Northtown Village Senior Apartments, Inc., an Indiana corporation, as General Partner of Northtown Village Senior Apartments Limited Partnership, an Indiana limited partnership, on behalf of the partnership.


Notary Public

My Commission Expires:

6/30/14



[Signatures continued on following page]

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

LOTS 1 TO 10, BOTH INCLUSIVE, IN RESUBDIVISION OF LOTS 13 TO 18, BOTH INCLUSIVE, BLOCK 51 IN INDIANA HARBOR, IN THE CITY OF EAST CHICAGO, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 5, PAGE 15 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.



EXHIBIT B

In accordance with 24 CFR Section 92.252j of the HOME Investment Partnerships Program Final Rule, the Owner has elected and the Lender has agreed that the NSP-Assisted Units in this Project will be floating. The NSP-Assisted Units may be changed to maintain conformity with the HOME Rules during the period of affordability so that the total number of housing units meeting the requirements of this Agreement remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms to the originally designated NSP-Assisted Units as follows:

The following number and types of Units are restricted to Very Low Income Families.

UNIT TYPE	NUMBER OF BEDROOMS PER UNIT	BUILDING NUMBERS	TOTAL NUMBER OF UNITS
1BR	1	(Single building; units are floating)	40
Total Units			40

The following number and types of Units are restricted to Low Income Families and LMM Income Families.

UNIT TYPE	NUMBER OF BEDROOMS PER UNIT	BUILDING NUMBERS	TOTAL NUMBER OF UNITS
1BR	1	(Single building; units are floating)	16
Total Units			16

Rental Restrictions

All rental amounts shall be subject to the prior approval of Lender pursuant to Section 3.01 of this Agreement.

Very Low Income Family Maximum Rents

For NSP-assisted units occupied by Very Low Income Families, the maximum rental amounts must meet one of following requirements:

1. 30 percent of the tenant's monthly adjusted income; or
2. 30 percent of the annual income of a family whose income equals 50 percent of area median income; or
3. If the property has a Federal or state project-based rental subsidy and the Very Low Income tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent allowable under the project-based rental subsidy program.

Low Income Family Maximum Rents

For NSP-assisted units occupied by Low Income Families, the maximum rental amounts cannot exceed the lesser of:

1. The Section 8 Fair Market Rents for existing housing; or
2. 30 percent of the adjusted income of a family whose annual income equals 65 percent of area median income.

LMM Income Family Maximum Rents

For NSP-assisted units occupied by LMM Income Families, the maximum rental amounts must meet one of following requirements:

1. Rents established by the Lender based on tenant household income, not to exceed comparable unassisted rents in the neighborhood; or
2. The rent does not exceed 30 percent of the family's adjusted income.

