

# UNOFFICIAL COPY



Doc#: 1132218049 Fee: \$92.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 11/18/2011 02:36 PM Pg: 1 of 29

212070

This document was prepared  
by and after recording, return  
to: Thomas M. Jenkins  
Illinois Housing Development Authority  
401 N. Michigan Avenue  
Chicago, Illinois 60611  
Permanent Tax  
Identification No.:  
See attached Exhibit A

IHDA Loan No. 10563

## IHDA REGULATORY AGREEMENT

**THIS REGULATORY AGREEMENT** (this "Agreement") is made and entered into as of this 1st day of November, 2011, by and between **RENAISSANCE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP**, an Illinois limited partnership (the "Borrower") 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.*, as amended from time to time (the "Act").

### RECITALS:

**WHEREAS**, the Borrower is the owner of certain real estate located at and commonly known as Renaissance Apartments, located in Chicago, Illinois, legally described on **Exhibit A** attached to and made a part of this Agreement, and all easements and similar rights and privileges appurtenant to and in favor of such real estate (such real estate, easements, rights and privileges are collectively referred to in this Agreement as the "Real Estate"); and

**WHEREAS**, IHDA is issuing its Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009E (Renaissance Apartments) (the "Bonds") to provide financing for a multifamily housing development located on the Real Estate containing one hundred seventeen (117) units; and

**WHEREAS**, IHDA is using the proceeds of the Bonds to make a loan (the "Loan") to the Borrower, which will immediately be assigned to Federal Home Loan Mortgage Corporation (the "Bank"); the Loan is evidenced, secured and governed by, among other things: (a) the Loan Agreement of even date herewith executed by the Borrower and IHDA and pledged to the Bank, (b) a mortgage securing the Loan (the "Mortgage") and (c) this Agreement. The Loan Agreement and all other documents executed by the Borrower that evidence, govern or secure the Loan are sometimes collectively referred to in this Agreement as the "Loan Documents;" and

NCS-471044

Box 430

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**WHEREAS**, as an inducement to IHDA to issue the Bonds to provide financing for the Loan, the Borrower has agreed to enter into this Agreement and consents to be regulated and restricted by IHDA as provided in this Agreement, and those provisions of the Act and the Rules that govern Distributions (as defined below) and non-discrimination.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions set forth in this Agreement, the parties hereto agree as follows:

1. **Recitals**. The foregoing recitals are made a part of this Agreement.
2. **Definitions**. The following terms used in this Agreement shall have the following definitions:
  - a. "Administrative Expenses" shall mean expenses of managing and administering the Development, including, but not limited to, expenses for office services and supplies; postage and telephone; legal, accounting, advertising and auditing services; management fees; the management agent's fidelity bond fees; and salaries and payroll expenses for any management agent's on-site employees. Administrative Expenses shall not include any expenses not directly related to the Development; these excluded expenses include, but are not limited to, costs of (i) accounting work and attorneys' fees and other legal expenses in connection with acquiring the Development or any property made a part of it, (ii) defending or prosecuting litigation by or against IHDA or for services relating to bankruptcy or similar debtor protection laws (iii) forming, syndicating, registering and maintaining any person or entity, (iv) any fees paid to the Borrower for managing the Development, (v) repayment of loans or advances made by the Borrower or its principals to the Development and (vi) any other expenses not approved by IHDA as Administrative Expenses.
  - b. "Closing Date" shall mean the date on which the Loan proceeds are made available to the Borrower.
  - c. "Cost of the Development" shall mean costs and expenses of the Development, including, without limitation, acquisition costs, construction costs, job overhead, a developer's fee, architectural, engineering, legal and accounting costs, organizational expenses, any fees payable to IHDA, interest paid during construction or rehabilitation, and the cost of landscaping, whether or not such costs have been paid in cash or in a form other than cash.
  - d. "Development" shall mean the Real Estate and all of the improvements constructed on it.
  - e. "Development Funds" shall mean all cash, rent subsidies, gross Development income, bank accounts, certificates of deposit, trust funds, reserves, escrows, accounts receivable, and other similar assets of the Development, but

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excluding security deposits that, pursuant to contract or law, the Borrower is, or may be, required to return to a Tenant.

f. “Distribution” shall mean any withdrawal or taking of Surplus Cash and/or Residual Receipts, including (i) segregation of amounts of Surplus Cash and/or Residual Receipts for subsequent withdrawal for payment to or on behalf of the Borrower pursuant to IHDA’s written authorization, (ii) any transfer of Development property to or on behalf of the Borrower and (iii) payment from Development funds of any obligation of the Borrower or its shareholders.

g. “Equity” shall mean the amount of funds provided by the Borrower for the acquisition and rehabilitation of the Development, which shall be equal to the difference between the total Cost of the Development and the sum of the amount of the Loan plus the amount of any permitted subordinate financing.

h. “Maintenance Expenses” shall mean the expenses of maintaining the Development, including, but not limited to, security services, grounds maintenance services and supplies, elevator maintenance and repairs, painting and decorating, equipment repairs, and minor or routine repairs to Units.

i. “Operating Expenses” shall mean the costs of operating the Development, including, but not limited to, non-capital expenses for water and sewer, electricity, gas and other utilities not paid for directly by Tenants; janitorial services and supplies; exterminating; trash removal; real estate taxes; assessments; and insurance premiums. Operating Expenses shall not include capital expenditures; expenses of readying the Development for initial occupancy; or reimbursements to the Borrower for capital contributions..

j. “Residual Receipts” shall mean any Surplus Cash remaining as of the end of a calendar year after the deduction of (i) the amount of any repayment of any subordinate loans, if any, evidenced by a note to be repaid from Surplus Cash and (ii) all Distributions.

k. “Residual Receipts Account” shall mean the account into which Residual Receipts from the Development are deposited.

l. “Rules” means the rules promulgated by IHDA under the Act.

m. “Surplus Cash” shall mean that part of the gross operating income (including rent insurance proceeds, but not including fire or other insurance proceeds, condemnation proceeds, loan proceeds and any contributions or advances from members or partners of the Borrower) of the Development, determined on an accrual basis (a security deposit shall not be deemed part of the gross operating income unless and until it unequivocally becomes the property of the Borrower, free of any claim of any person claiming as or through the Tenant who had deposited such security),

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remaining as of the end of each calendar year after payment of, or the reservation of funds for the payment of, the following (but only to the extent payable from such gross operating income):

- i. Operating Expenses, Maintenance Expenses and Administrative Expenses;
- ii. All other costs, whether or not capitalized, pertaining to the operation of the Development during such calendar year, including, but not limited to, reasonable costs of renting, managing, repairing, maintaining and improving the Development;
- iii. All losses on any investment of funds deposited in any reserve account;
- iv. All sums required to be deposited during such calendar year in any reserve account of the Development (other than the Residual Receipts Account), whether or not in fact deposited;
- v. All sums due, whether or not currently required to be paid during such calendar year, under the terms of the Loan Documents; and
- vi. All sums due under any permitted secondary financing that are permitted to be paid from gross operating income; and
- vii. Any deferred developer fee to be paid to the Borrower; and

all as reflected on audited financial statements for the Development (including the income statements and balance sheets) for each such calendar year. The actual amount of Surplus Cash shall be determined by IHDA, in its sole discretion.

- n. "Tenant" shall mean a person, family or unrelated persons leasing a Unit.
- o. "Unit" shall mean a dwelling unit in the Development.

3. **Act and Regulations.** The Borrower agrees that at all times its acts regarding the Development shall be in conformance with the Act and the Rules as they apply to Distributions and non-discrimination.

4. **Residual Receipts Account.** The Borrower shall establish and maintain, a Residual Receipts Account with IHDA. The Borrower shall deposit all Residual Receipts into the Residual Receipts Account within ten (10) business days of the determination of the amount of Residual Receipts for the calendar year. The Borrower shall be entitled to receive such permissible Distributions from the Residual Receipts Account only to the extent that (i)

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any sums remain in the Residual Receipts Account at the end of each calendar year and (ii) to the extent that the Borrower has not made Distributions on a cumulative basis equal to the maximum permissible Distributions under **Paragraph 6** hereof.

**5. Additional Borrower Covenants.** The Borrower further agrees that:

**a.** At least thirty-nine (39) of the Units shall be occupied by Tenants whose family income is fifty percent (50%) or less of the median income of the Chicago metropolitan statistical area, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 ("Median Income");

**b.** At least another seventy-seven (77) of the Units shall be occupied by Tenants whose family income is sixty percent (60%) or less of the Median Income, one Unit is a manager's unit and not subject to the restrictions of this Agreement;

**c.** The Borrower has previously submitted to IHDA a Tenant Selection Plan. In the advertising, marketing and rental of Units, the Borrower agrees to abide by the terms and conditions of its Tenant Selection Plan, as approved by IHDA;

**d.** The Borrower shall obtain from each prospective Tenant prior to admission to the Development, a certification of income (the "Certification"), and thereafter on an annual basis, a recertification of income (the "Recertification");

**e.** The Borrower shall obtain written evidence substantiating the information given on the Certifications and Recertifications and shall retain that evidence in its files for three (3) calendar years after the year to which such evidence of income pertains. Within thirty (30) days following the end of each calendar year, the Borrower shall certify to IHDA that, at the time of such certification and during the preceding calendar year, the Borrower was in compliance with the requirements of this **Paragraph 5**;

**f.** The Borrower shall not permit the use of the Units for any purpose except residential use; and

**g.** The Borrower may not sell or transfer any ownership interest in Borrower, without the consent of IHDA. In the event IHDA, in its sole and absolute discretion, approves a sale or transfer of ownership interest in Borrower, general partner of Borrower, or any limited partner of Borrower, the net proceeds of such sale or transfer, as reasonably determined by IHDA, shall be applied to the outstanding principal balance of the Loan. Notwithstanding the above, in the event that at any time during the term of this Agreement, the limited partnership interests in Borrower are owned by entities or individuals not affiliated directly or indirectly with the general partner of Borrower, IHDA approval shall not be required for a sale or transfer of the



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such limited partnership interests or interests in such limited partners and application of the net proceeds of such sale or transfer to the Loan shall not be required.

6. **Distributions.** The Borrower shall not make, receive or retain any Distribution except as permitted in this Agreement, and then only on the following conditions:

a. Any Distribution shall be made only after (i) IHDA receives and approves the audited financial statements of the Development for calendar years to which the Distribution relates; and (ii) the Borrower receives IHDA's written approval of the amount and nature of the Distribution in accordance with IHDA's guidelines, policies and the Rules;

b. Any Distribution shall be limited in any one (1) calendar year to Surplus Cash, as calculated and approved by IHDA, so as not to exceed 5.556% of the Borrower's Equity ("Limited Distribution"); and

c. The right to Limited Distributions shall cumulate from the Closing Date. To the extent that the Borrower does not receive a Limited Distribution in any calendar year, it may be paid out of Surplus Cash or Residual Receipts, if any, available in subsequent years.

7. **Authority Power.** The Borrower agrees that the Chairman of IHDA, acting with the prior approval of IHDA, shall have the power, if he determines that the Loan is in jeopardy of not being repaid, or that the Development is in jeopardy of not being rehabilitated and operated, or the Borrower is otherwise in violation of the Act or the rules and regulations promulgated by IHDA, to appoint to the general partner of the Borrower a partner who, solely and without interference from the other Partners, shall have the power to conduct the entire affairs of the Borrower, notwithstanding any other provisions of the partnership agreement of the Borrower or any other provisions of law.

8. **Borrower's Duties.** In addition to, but not by way of limiting, the other duties of the Borrower set forth in this Agreement or any of the other Loan Documents, the Borrower shall comply with the following:

a. **Audit.** The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating to it shall at all times be maintained in reasonable condition for proper inspection and audit, and shall be subject to examination, inspection and copying at any reasonable time, and from time to time, by IHDA or its agents or representatives.

b. **Books and Records.** The books and records of the Borrower and of the operations of the Development shall be kept in accordance with generally accepted accounting principles. The Borrower shall, upon reasonable notice from IHDA and during normal business hours, allow access to the records and books of account related to the operation of the Development, including any supporting or related vouchers or

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papers, kept by or on behalf of the Borrower and their representatives or agents; such access shall include the right to make extracts or copies of them.

c. **Financial Statement.** Within ninety (90) days following the end of each calendar year, the Borrower shall furnish to IHDA a complete audited financial statement report for the Development based upon an examination of the books and records of the Borrower, prepared at the Borrower's expense in accordance with generally accepted accounting principles, and certified to the Borrower by an Illinois licensed certified public accountant, or other person acceptable to IHDA.

d. **Furnishing Information.** At the request of IHDA, the Borrower shall furnish such reports, projections and analyses as required pursuant to the Rules, policies and procedures of IHDA, as amended and supplemented from time to time, and shall give specific answers to questions upon which information is desired from time to time relative to the Development's condition, income, assets, liabilities, contracts and operation.

9. **Non-Discrimination in Housing.**

a. The Borrower shall not, in the selection of Tenants, in the provision of services or in any other matter relating to the construction or operation of the Development discriminate against any person on the grounds of race, color, creed, religion, sex, age, handicap, national origin, ancestry, unfavorable military discharge or familial or marital status, or because the Tenant is receiving governmental assistance.

b. The Borrower shall comply with all of the provisions of Paragraph 13 of the Act and all other provisions of applicable federal, state and local law relative to non-discrimination.

10. **Violation of Agreement by Borrower.** Upon violation of any of the provisions of this Agreement by the Borrower, IHDA may give written notice of such violation to the Borrower, and the Borrower shall then have thirty (30) days to correct or cure it; provided, however, that if such violation cannot be reasonably cured within such thirty (30) day period, Borrower shall have such time as may be reasonably necessary to cure it provided that Borrower commences to cure it within such thirty (30) day period and diligently prosecutes such cure to completion. If such violation is not corrected within thirty (30) days after the date of such notice, or within such further time as IHDA in its sole discretion permits, then without further notice IHDA may declare a default under this Agreement, effective on the date of such declaration, and upon such default, IHDA may exercise any and all remedies that it may have, 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.

Notwithstanding anything to the contrary contained herein, IHDA agrees that any cure of any default made or tendered by one of Borrower's limited partners shall be deemed to be a

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cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

**11. Development Funds and Development Property.** The Development and Development Funds are referred to in this Agreement as "Development Property." Development Funds shall be expended only for (i) payment of Operating Expenses, Maintenance Expenses and Administrative Expenses; (ii) payments into any tax and insurance reserve account; (iii) payments of amounts due under the Loan Agreement, including principal, interest, late charges and other amounts payable under it; (iv) payments into any replacement reserve account; (v) payments of amounts due under any permitted subordinate financing; and (vi) subject to any amounts required to be paid into the Residual Receipts Account pursuant to **Paragraph 4** hereof, or by reason of the limitations of **Paragraph 6** hereof, payments to the Borrower as a Distribution.

**12. Termination of Liabilities.** In the event of a sale or other transfer of the Development, all of the duties, obligations, undertakings and liabilities of the Borrower and/or such transferor under the terms of this Agreement shall thereafter cease and terminate as to the Borrower and/or such owner-transferor, except as to any acts or omissions or obligations to be paid or performed by the Borrower and/or transferor that occurred prior to such sale or transfer. However, as a condition precedent to the termination of the liability of the Borrower or owner-transferor under this Agreement, the owner-transferee shall assume, on the same terms and conditions as apply under this Agreement to the owner-transferor, all of the duties and obligations of such owner-transferor arising under this Agreement from and after such sale or transfer.

**13. Term of Agreement/Covenants Running with Land.** The covenants set forth in this Agreement shall be deemed to run with and bind and burden the Development, and shall be deemed to bind any future owners of the Development and any legal, equitable or beneficial interest in it, and shall not be deemed extinguished, satisfied or completed until the later to occur of: (i) payment in full of the Loan, (ii) termination of the Bond Regulatory Agreement executed by Borrower in regards to the Bonds, and (iii) fifteen (15) years.

**14. Subordination.** This Agreement is subordinate in each and every respect to any and all rights of any kind created under the Loan Documents, including without limitation the Mortgage, dated as of the date hereof, made by the Borrower to the Bank.

**15. Miscellaneous.**

**a. Amendment of Regulatory Agreement.** This Agreement shall not be altered or amended except in a writing executed by all of the parties hereto.

**b. Partial Invalidity.** The invalidity of any clause, part or provision of this Agreement shall not affect the validity of its remaining portions.



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c. **Binding Successors.** This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, their legal representatives, successors in office or interest and assigns.

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

e. **Recording Agreement.** The Borrower agrees and assumes the obligation to have this Agreement recorded in the appropriate land records in the jurisdiction in which the Development is situated. If the Borrower fails to do so, IHDA may have it recorded at the expense of the Borrower.

f. **Waiver by IHDA.** No waiver by IHDA of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

g. **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.

h. **Third Parties.** The parties do not intend this Agreement to inure to the benefit of any third party, including, but not limited to, contractors, subcontractors, management and marketing agents and creditors of the Borrower or the Development.

i. **Notices.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

If to IHDA:

Illinois Housing Development Authority

401 North Michigan Avenue

Chicago, Illinois 60611

Attention: Assistant to the Executive Director for Multifamily Programs

with a copy to:

Illinois Housing Development Authority

401 North Michigan Avenue

Chicago, Illinois 60611

Attention: General Counsel

If to the Borrower:

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Renaissance Preservation Associates Limited Partnership  
c/o Preservation of Affordable Housing  
40 Court Street, Suite 700  
Boston, Massachusetts 02108  
Attention: Amy S. Anthony

With a Courtesy Copy to:

Enterprise Community Investment, Inc.  
10227 Wincopin Circle, Suite 800  
Columbia, Maryland 21044  
Attention: General Counsel

Such addresses may be changed by notice to the other party given in the same manner as provided in this **Paragraph 15.i**. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) 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 (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service. In connection with the courtesy copy, IHDA will exercise reasonable efforts to provide copies of any notices given to Borrower; however, IHDA's failure to furnish copies of such notices shall not limit IHDA's exercise of any of its rights and remedies under the its documents, or effect the validity of the notice.

**16. Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all together shall constitute one and the same instrument.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their respective authorized representatives.

**THE BORROWER:**

**RENAISSANCE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP**  
an Illinois limited partnership

By: POAH RENAISSANCE APARTMENTS, LLC  
an Illinois limited liability company,  
its general partner

By: PRESERVATION OF AFFORDABLE HOUSING, INC.  
an Illinois not for profit corporation,  
its sole member

By: *Amy S. Anthony*  
Printed Name: Amy S. Anthony  
Its: President

**IHDA:**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
a body politic and corporate

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their respective authorized representatives.

**THE BORROWER:**

**RENAISSANCE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP**  
an Illinois limited partnership

By: POAH RENAISSANCE APARTMENTS, LLC  
an Illinois limited liability company,  
its general partner

By: PRESERVATION OF AFFORDABLE HOUSING, INC.  
an Illinois not for profit corporation,  
its sole member

By: \_\_\_\_\_  
Printed Name: Amy S. Anthony  
Its: President

**IHDA:**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY,**  
a body politic and corporate

By: \_\_\_\_\_  
Printed Name: **Bryan Zises**  
Title: **Assistant Executive Director**

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STATE OF Illinois )  
 ) SS  
COUNTY OF Cook )

## ACKNOWLEDGMENT OF BORROWER

I, the undersigned, a Notary Public in and for the State and County aforesaid, certify that Amy S. Anthony, personally known to me to be the President of Preservation of Affordable Housing, Inc. and same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that, as such President, she signed and delivered such instrument as her free and voluntary act, as the free and voluntary act of Preservation of Affordable Housing, Inc., for the uses and purposes therein set forth.

Given under my hand and official seal this 27<sup>th</sup> day of November, 2011.

Margaret A. Grassano  
Notary Public



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## EXHIBIT A Legal Description

### \*\*\*PARCEL 1:

LOTS 21 AND 22 IN THE SUBDIVISION OF BLOCK 3 (EXCEPT THE NORTH 50 FEET THEREOF) OF CHARLES BUSBY'S SUBDIVISION OF THE SOUTH HALF (EXCEPT 2 1/2 ACRES) OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 6105-15 S. Ellis Ave., Chicago, Illinois

PERMANENT REAL ESTATE INDEX NO. 20-14-310-002, vol. 256

Affects: Parcel 1

### PARCEL 2:

THE WEST 130 FEET OF LOT 47 (EXCEPT THE SOUTH 2.31 FEET THEREOF) AND THE WEST 130 FEET OF LOTS 48, 49 AND 50 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND THE WEST HALF OF BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION IN THE SOUTH HALF (EXCEPT 2 1/2 ACRES) OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 6201-07 S. Ingleside Ave., Chicago, Illinois

PERMANENT REAL ESTATE INDEX NO. 20-14-315-001, vol. 256

Affects: Parcel 2 and other property

### PARCEL 3:

THE WEST 45.72 FEET OF LOT 13, AND THE WEST 45.72 FEET OF THE SOUTH HALF OF LOT 14, IN BLOCK 2 IN BUSBY'S SUBDIVISION OF THE SOUTH HALF (EXCEPT 2 1/2 ACRES) OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Commonly known as: 6153-59 S. Greenwood Ave., Chicago, Illinois

PERMANENT REAL ESTATE INDEX NO. 20-14-311-014, vol. 256

Affects: Parcel 3

Continued...

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Legal Description - continued...

PARCEL 4:

LOTS 1, 2 AND 3 (EXCEPT THE SOUTH 25 FEET THEREOF) IN BLOCK 11 IN BUSBY'S SUBDIVISION OF THE SOUTH HALF (EXCEPT 2 1/2 ACRES) OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Commonly known as: 6200-08 S. University Ave., Chicago, Illinois

PERMANENT REAL ESTATE INDEX NO. 20-14-317-016, vol. 256

Affects: Parcel 4

PARCEL 5:

LOTS 4 AND 5 IN BLOCK 3 IN THE SUBDIVISION OF BLOCKS 3 AND 5 OF O.R. KEITH'S SUBDIVISION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 6114-24 S. Kimbark Ave., Chicago, Illinois

PERMANENT REAL ESTATE INDEX NO. 20-14-407-017, vol. 256

Affects: Parcel 5

PARCEL 6:

LOTS 4 AND 5 IN THE SUBDIVISION OF FRANK L. LINDEN AND OTHERS OF LOTS 13, 14, AND 15 OF THE SOUTH HALF OF LOT 16 IN BLOCK 1 IN O. R. KEITH'S SUBDIVISION OF BLOCKS 1 AND 2 IN KEITH'S SUBDIVISION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO THAT PART OF LOTS 13 AND 14 IN BLOCK 1 OF O. R. KEITH'S SUBDIVISION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS, TO-WIT: THE WEST HALF OF THE SOUTH 100 FEET OF THAT CERTAIN STRIP OF LAND DEDICATED AND MARKED AS "PRIVATE ALLEY" ON MAP OR PLAT OF LINDEN & CURRAN'S SUBDIVISION OF LOTS 13, 14, 15, AND THE SOUTH HALF OF LOT 16 OF SAID BLOCK 1 AS BY REFERENCE TO THE PLAT OF SAID LINDEN & CURRAN'S SUBDIVISION, RECORDED IN BOOK 68 OF PLATS, PAGE 241, IN COOK COUNTY, ILLINOIS.\*\*\*

Commonly known as: 6153-59 S. Kenwood Ave, Chicago, Illinois

PERMANENT REAL ESTATE INDEX NO. 20-14-409-011, vol. 256

Affects: Parcel 6

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## RIDERS TO IHDA REGULATORY AGREEMENT

### Revised Third WHEREAS clause:

**WHEREAS**, IHDA is using the proceeds of the Bonds to make a loan (the “Loan”) to the Borrower; the Loan is evidenced, secured and governed by, among other things: (a) the Financing Agreement of even date herewith (the “Financing Agreement”) executed by the Borrower, IHDA and The Bank of New York Mellon Trust Company, N.A. (“Trustee”), (b) the promissory note dated the Closing Date (the “Note”) from the Borrower to IHDA, as such has been assigned by IHDA to the Trustee, (c) a mortgage securing the Loan (the “Bond Mortgage”), (d) the Tax Regulatory Agreement of even date herewith (the “Tax Regulatory Agreement”) between the Borrower and the Issuer, (e) any Custodial Escrow Agreement, (f) the Credit Enhancement Agreement of even date herewith (the “Credit Enhancement Agreement”) between the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Trustee, (g) the Reimbursement Agreement of even date herewith (the “Reimbursement Agreement”) between the Borrower and Freddie Mac, (h) a mortgage securing the Borrower's reimbursement obligations to Freddie Mac pursuant to the Reimbursement Agreement (the “Reimbursement Mortgage”), (i) the Intercreditor Agreement of even date herewith (the “Intercreditor Agreement”) by and among IHDA, the Trustee and Freddie Mac, and (j) this Agreement. The documents listed in (a) through (j) above, and all other documents executed by the Borrower that evidence, govern or secure the Loan, are collectively referred to in this Agreement as the “Loan Documents;” and

### New Section 17 to be added:

17. **Freddie Mac Required Rider to Control** Until such time as the Freddie Mac Credit Enhancement Agreement is released pursuant to the terms of the Indenture, notwithstanding any provision of this Agreement to the contrary, to the extent of any conflict between the provisions of this Agreement set forth above and those set forth in the Freddie Mac Rider attached hereto, the provisions of the Freddie Mac Rider shall control.

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## FREDDIE MAC RIDER

This Freddie Mac Rider (the "Rider") is attached to and forms a part of the IHDA Regulatory Agreement (the "Regulatory Agreement"), dated as of November 1, 2011, by and among ILLINOIS HOUSING DEVELOPMENT AUTHORITY (the "Issuer"), and RENAISSANCE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership, as owner of the Development identified herein (the "Owner").

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement. In addition, the following terms shall have the following meanings:

**"Bonds"** means the Issuer's Multifamily Initiative Bonds, Series 2009E (Renaissance Apartments).

**"Bond Documents"** has the meaning given that term in the Indenture.

**"Bond Mortgage"** means the First Multifamily Mortgage, Assignment of Rents and Security Agreement, together with all riders thereto, securing the Bond Mortgage Note, to be executed by the Owner with respect to the Development, as it may be amended, modified, supplemented or restated from time to time.

**"Bond Mortgage Loan"** means the loan to the Owner pursuant to the Bond Mortgage Loan Documents, which Bond Mortgage Loan is to be assigned to the Trustee.

**"Bond Mortgage Loan Documents"** means the Bond Mortgage Note, the Bond Mortgage, the Tax Regulatory Agreement, any Custodial Escrow Agreement, the Credit Enhancement Agreement, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement and any and all other instruments documenting, evidencing, securing or otherwise relating to the Bond Mortgage Loan.

**"Bond Mortgage Note"** means the promissory note executed by the Owner in favor of the Issuer, evidencing the Owner's financial obligations under the Bond Mortgage Loan, and endorsed by the Issuer, without recourse, to the order of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

**"Financing Agreement"** means the Financing Agreement, dated as of November 1, 2011, among the Issuer, the Trustee and the Owner, relating to the Bonds and the Bond Mortgage Loan, as amended, modified, supplemented or restated from time to time.

**"Freddie Mac"** means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

**"Indenture"** means the Trust Indenture, dated as of December 1, 2009 (the "General Indenture"), as amended and supplemented by a Series 2009A Supplemental Indenture, dated as of December 1, 2009 (the "First Supplemental Indenture"), and as further amended and supplemented by a Series 2009E Supplemental Indenture, dated as



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of November 1, 2011, each between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), pursuant to which the Bonds are issued, modified, exchanged and released, as amended, modified, supplemented or restated from time to time.

"**Servicer**" means Enterprise Community Investment, Inc., or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Sale or Transfer. Restrictions on sale or transfer of the Development or of any interest in the Owner, Issuer and/or Trustee consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Development to Freddie Mac or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Mortgage Loan or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan. No transfer of the Development shall operate to release the Owner from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Bond Mortgage or any of the other Bond Mortgage Loan Documents that requires the Owner to obtain the consent of Freddie Mac as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Development or of any direct or indirect interest in the Owner, excluding transfers permitted by the Bond Mortgage. No covenant obligating the Owner to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Freddie Mac upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan by Freddie Mac, or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan. Any written consent to a sale or transfer obtained from the Issuer must be deemed to constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions.

4. Enforcement. Notwithstanding anything contained in the Regulatory Agreement or the Indenture to the contrary:

(i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Bond Mortgage Loan Documents, except as may be otherwise specified in the Bond Mortgage Loan Documents;

(ii) neither the Issuer nor the Trustee may, upon the occurrence of an event of default under the Regulatory Agreement, seek, in any manner, to (a) cause or direct acceleration of the Bond Mortgage Loan, (b) enforce the Bond Mortgage Note, (c) foreclose on the Bond Mortgage, (d) cause the Trustee to redeem the Bonds or to declare the principal of the Bonds and the interest accrued on the Bonds to be immediately due and payable or (e) cause the Trustee to take any other action under any of the Bond

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Mortgage Loan Documents, any of the Bond Financing Documents or any other documents which action would or could have the effect of achieving any one or more of the actions, events or results described in the preceding clauses (a) through (d); and

(iii) the occurrence of an event of default under this Regulatory Agreement shall not impair, defeat or render invalid the lien of the Bond Mortgage.

No person other than Freddie Mac shall have the right to (a) declare the principal balance of the Bond Mortgage Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Bond Mortgage. The Issuer and the Trustee acknowledge the foregoing limitations.

The foregoing prohibitions and limitations are not intended to limit the rights of the Issuer or the Trustee to specifically enforce the Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Development in accordance with the requirements of the Internal Revenue Code and state law. Accordingly, upon any default by the Owner, the Issuer or the Trustee may seek specific performance of the Regulatory Agreement or enjoin acts which may be in violation of the Regulatory Agreement or unlawful, but neither the Issuer nor the Trustee may seek any form of monetary recovery from the Owner, although the Issuer may seek to enforce a claim for indemnification, provided that no obligation of the Owner under the Regulatory Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Owner, occasioned by breach or alleged breach by the Owner of its obligations under the Regulatory Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Development, whether in favor of the Issuer, the Trustee or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Bond Mortgage Loan Documents. Accordingly, neither the Issuer nor the Trustee shall have the right to enforce any monetary obligation other than directly against the Owner, without recourse to the Development. In addition, any such enforcement must not cause the Owner to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Owner under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

The obligations of any owner under the Regulatory Agreement shall be personal to the person who was the owner at the time that an event, including, without limitation, any default or breach of the Regulatory Agreement, occurred or was alleged to have occurred, and such person shall remain liable for any and all such obligations, including damages occasioned by a default or breach, even after such person ceases to be the owner of the Development. Accordingly, no subsequent owner of the Development shall be liable or obligated for the obligation of any prior owner (including the Owner), including, but not limited to, any obligation for payment, indemnification or damages, for default or breach of the Regulatory Agreement or otherwise. The owner of the Development at the time the obligation was incurred, including any obligation arising out of a default or breach of the Regulatory Agreement, shall remain liable for any and all payments and damages occasioned by the owner even after such person ceases to be the owner of

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the Development, and no person seeking such payments or damages shall have recourse against the Development.

Under no circumstances shall the Issuer or the Trustee:

(i) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Owner to timely pay the principal of, interest on, or other amounts due and payable under, the Bond Mortgage Loan;

(ii) interfere with or attempt to influence the exercise by Freddie Mac of any of its rights under the Bond Mortgage Loan, including, without limitation, Freddie Mac's remedial rights under the Bond Mortgage Loan Documents upon the occurrence of an event of default by the Owner under the Bond Mortgage Loan; or

(iii) upon the occurrence of an event of default under the Bond Mortgage Loan, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Mortgage Loan.

Any partner appointed by the Issuer pursuant to Section 7 of the Regulatory Agreement, and any action to be taken thereby, shall be subject to the prior written consent of Freddie Mac.

5. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Borrower, the Servicer and Freddie Mac, inform the Borrower, the Servicer and Freddie Mac that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Bond Mortgage Loan, to enforce the Bond Mortgage Note or to foreclose on the Mortgage.

6. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of Freddie Mac.

7. Fees; Penalties. Freddie Mac shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Owner or any subsequent owner of the Development prior to the date of acquisition of the Development by Freddie Mac, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan.

8. Subordination. The terms, covenants and restrictions of the Regulatory Agreement are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Bond Mortgage Loan Documents.

9. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Freddie Mac and are entered into for the benefit of various parties, including Freddie Mac. Freddie Mac shall accordingly have contractual rights in the Regulatory

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Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, Freddie Mac is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

10. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Enterprise Community Investment, Inc.  
1135 Kildare Farm Road  
Cary, NC 27511  
Attention: Victor E. Augusta, Jr.  
Email: vagusta@enterprisecommunity.com  
Telephone: (919) 447-3374

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation  
8100 Jones Branch Drive  
MS B2E  
McLean, Virginia 22102  
Attention: Multifamily Operations - Loan Accounting  
Email: mfla\_trustees@freddiemac.com  
Trustee Hotline: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive, MS 210  
McLean, Virginia 22102  
Attention: Managing Associate General Counsel – Multifamily Legal  
Division  
Email: timothy\_oneill@freddiemac.com  
Facsimile: (703) 903-2885  
Telephone: (703) 903-2000

with a copy to: Federal Home Loan Mortgage Corporation  
8100 Jones Branch Drive  
MS B4F  
McLean, Virginia 22102  
Attention: Director of Multifamily Loan Servicing  
Facsimile: (703) 714-3003  
Telephone: (703) 903-2000

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## RIDERS TO IHDA REGULATORY AGREEMENT

### Revised Third WHEREAS clause:

**WHEREAS**, IHDA is using the proceeds of the Bonds to make a loan (the “Loan”) to the Borrower; the Loan is evidenced, secured and governed by, among other things: (a) the Financing Agreement of even date herewith (the “Financing Agreement”) executed by the Borrower, IHDA and The Bank of New York Mellon Trust Company, N.A. (“Trustee”), (b) the promissory note dated the Closing Date (the “Note”) from the Borrower to IHDA, as such has been assigned by IHDA to the Trustee, (c) a mortgage securing the Loan (the “Bond Mortgage”), (d) the Tax Regulatory Agreement of even date herewith (the “Tax Regulatory Agreement”) between the Borrower and the Issuer, (e) any Custodial Escrow Agreement, (f) the Credit Enhancement Agreement of even date herewith (the “Credit Enhancement Agreement”) between the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Trustee, (g) the Reimbursement Agreement of even date herewith (the “Reimbursement Agreement”) between the Borrower and Freddie Mac, (h) a mortgage securing the Borrower's reimbursement obligations to Freddie Mac pursuant to the Reimbursement Agreement (the “Reimbursement Mortgage”), (i) the Intercreditor Agreement of even date herewith (the “Intercreditor Agreement”) by and among IHDA, the Trustee and Freddie Mac, and (j) this Agreement. The documents listed in (a) through (j) above, and all other documents executed by the Borrower that evidence, govern or secure the Loan, are collectively referred to in this Agreement as the “Loan Documents;” and

### New Section 17 to be added:

**17. Freddie Mac Required Rider to Control** Until such time as the Freddie Mac Credit Enhancement Agreement is released pursuant to the terms of the Indenture, notwithstanding any provision of this Agreement to the contrary, to the extent of any conflict between the provisions of this Agreement set forth above and those set forth in the Freddie Mac Rider attached hereto, the provisions of the Freddie Mac Rider shall control.



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## FREDDIE MAC RIDER

This Freddie Mac Rider (the "Rider") is attached to and forms a part of the IHDA Regulatory Agreement (the "Regulatory Agreement"), dated as of November 1, 2011, by and among ILLINOIS HOUSING DEVELOPMENT AUTHORITY (the "Issuer"), and RENAISSANCE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership, as owner of the Development identified herein (the "Owner").

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement. In addition, the following terms shall have the following meanings:

**"Bonds"** means the Issuer's Multifamily Initiative Bonds, Series 2009E (Renaissance Apartments).

**"Bond Documents"** has the meaning given that term in the Indenture.

**"Bond Mortgage"** means the First Multifamily Mortgage, Assignment of Rents and Security Agreement, together with all riders thereto, securing the Bond Mortgage Note, to be executed by the Owner with respect to the Development, as it may be amended, modified, supplemented or restated from time to time.

**"Bond Mortgage Loan"** means the loan to the Owner pursuant to the Bond Mortgage Loan Documents, which Bond Mortgage Loan is to be assigned to the Trustee.

**"Bond Mortgage Loan Documents"** means the Bond Mortgage Note, the Bond Mortgage, the Tax Regulatory Agreement, any Custodial Escrow Agreement, the Credit Enhancement Agreement, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement and any and all other instruments documenting, evidencing, securing or otherwise relating to the Bond Mortgage Loan.

**"Bond Mortgage Note"** means the promissory note executed by the Owner in favor of the Issuer, evidencing the Owner's financial obligations under the Bond Mortgage Loan, and endorsed by the Issuer, without recourse, to the order of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

**"Financing Agreement"** means the Financing Agreement, dated as of November 1, 2011, among the Issuer, the Trustee and the Owner, relating to the Bonds and the Bond Mortgage Loan, as amended, modified, supplemented or restated from time to time.

**"Freddie Mac"** means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

**"Indenture"** means the Trust Indenture, dated as of December 1, 2009 (the "General Indenture"), as amended and supplemented by a Series 2009A Supplemental Indenture, dated as of December 1, 2009 (the "First Supplemental Indenture"), and as further amended and supplemented by a Series 2009E Supplemental Indenture, dated as

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of November 1, 2011, each between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), pursuant to which the Bonds are issued, modified, exchanged and released, as amended, modified, supplemented or restated from time to time.

"**Servicer**" means Enterprise Community Investment, Inc., or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Sale or Transfer. Restrictions on sale or transfer of the Development or of any interest in the Owner, Issuer and/or Trustee consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Development to Freddie Mac or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Mortgage Loan or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan. No transfer of the Development shall operate to release the Owner from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Bond Mortgage or any of the other Bond Mortgage Loan Documents that requires the Owner to obtain the consent of Freddie Mac as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Development or of any direct or indirect interest in the Owner, excluding transfers permitted by the Bond Mortgage. No covenant obligating the Owner to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Freddie Mac upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan by Freddie Mac, or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan. Any written consent to a sale or transfer obtained from the Issuer must be deemed to constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions.

4. Enforcement. Notwithstanding anything contained in the Regulatory Agreement or the Indenture to the contrary:

(i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Bond Mortgage Loan Documents, except as may be otherwise specified in the Bond Mortgage Loan Documents;

(ii) neither the Issuer nor the Trustee may, upon the occurrence of an event of default under the Regulatory Agreement, seek, in any manner, to (a) cause or direct acceleration of the Bond Mortgage Loan, (b) enforce the Bond Mortgage Note, (c) foreclose on the Bond Mortgage, (d) cause the Trustee to redeem the Bonds or to declare the principal of the Bonds and the interest accrued on the Bonds to be immediately due and payable or (e) cause the Trustee to take any other action under any of the Bond

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Mortgage Loan Documents, any of the Bond Financing Documents or any other documents which action would or could have the effect of achieving any one or more of the actions, events or results described in the preceding clauses (a) through (d); and

(iii) the occurrence of an event of default under this Regulatory Agreement shall not impair, defeat or render invalid the lien of the Bond Mortgage.

No person other than Freddie Mac shall have the right to (a) declare the principal balance of the Bond Mortgage Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Bond Mortgage. The Issuer and the Trustee acknowledge the foregoing limitations.

The foregoing prohibitions and limitations are not intended to limit the rights of the Issuer or the Trustee to specifically enforce the Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Development in accordance with the requirements of the Internal Revenue Code and state law. Accordingly, upon any default by the Owner, the Issuer or the Trustee may seek specific performance of the Regulatory Agreement or enjoin acts which may be in violation of the Regulatory Agreement or unlawful, but neither the Issuer nor the Trustee may seek any form of monetary recovery from the Owner, although the Issuer may seek to enforce a claim for indemnification, provided that no obligation of the Owner under the Regulatory Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Owner, occasioned by breach or alleged breach by the Owner of its obligations under the Regulatory Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Development, whether in favor of the Issuer, the Trustee or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Bond Mortgage Loan Documents. Accordingly, neither the Issuer nor the Trustee shall have the right to enforce any monetary obligation other than directly against the Owner, without recourse to the Development. In addition, any such enforcement must not cause the Owner to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Owner under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

The obligations of any owner under the Regulatory Agreement shall be personal to the person who was the owner at the time that an event, including, without limitation, any default or breach of the Regulatory Agreement, occurred or was alleged to have occurred, and such person shall remain liable for any and all such obligations, including damages occasioned by a default or breach, even after such person ceases to be the owner of the Development. Accordingly, no subsequent owner of the Development shall be liable or obligated for the obligation of any prior owner (including the Owner), including, but not limited to, any obligation for payment, indemnification or damages, for default or breach of the Regulatory Agreement or otherwise. The owner of the Development at the time the obligation was incurred, including any obligation arising out of a default or breach of the Regulatory Agreement, shall remain liable for any and all payments and damages occasioned by the owner even after such person ceases to be the owner of

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the Development, and no person seeking such payments or damages shall have recourse against the Development.

Under no circumstances shall the Issuer or the Trustee:

(i) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Owner to timely pay the principal of, interest on, or other amounts due and payable under, the Bond Mortgage Loan;

(ii) interfere with or attempt to influence the exercise by Freddie Mac of any of its rights under the Bond Mortgage Loan, including, without limitation, Freddie Mac's remedial rights under the Bond Mortgage Loan Documents upon the occurrence of an event of default by the Owner under the Bond Mortgage Loan; or

(iii) upon the occurrence of an event of default under the Bond Mortgage Loan, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Mortgage Loan.

Any partner appointed by the Issuer pursuant to Section 7 of the Regulatory Agreement, and any action to be taken thereby, shall be subject to the prior written consent of Freddie Mac.

5. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Borrower, the Servicer and Freddie Mac, inform the Borrower, the Servicer and Freddie Mac that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Bond Mortgage Loan, to enforce the Bond Mortgage Note or to foreclose on the Mortgage.

6. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of Freddie Mac.

7. Fees; Penalties. Freddie Mac shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Owner or any subsequent owner of the Development prior to the date of acquisition of the Development by Freddie Mac, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Mortgage Loan.

8. Subordination. The terms, covenants and restrictions of the Regulatory Agreement are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Bond Mortgage Loan Documents.

9. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Freddie Mac and are entered into for the benefit of various parties, including Freddie Mac. Freddie Mac shall accordingly have contractual rights in the Regulatory

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Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, Freddie Mac is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

10. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Enterprise Community Investment, Inc.  
1135 Kildare Farm Road  
Cary, NC 27511  
Attention: Victor E. Augusta, Jr.  
Email: vagusta@enterprisecommunity.com  
Telephone: (919) 447-3374

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation  
8100 Jones Branch Drive  
MS B2E  
McLean, Virginia 22102  
Attention: Multifamily Operations - Loan Accounting  
Email: mfla\_trustees@freddiemac.com  
Trustee Hotline: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive, MS 210  
McLean, Virginia 22102  
Attention: Managing Associate General Counsel – Multifamily Legal  
Division  
Email: timothy\_oneill@freddiemac.com  
Facsimile: (703) 903-2885  
Telephone: (703) 903-2000

with a copy to: Federal Home Loan Mortgage Corporation  
8100 Jones Branch Drive  
MS B4F  
McLean, Virginia 22102  
Attention: Director of Multifamily Loan Servicing  
Facsimile: (703) 714-3003  
Telephone: (703) 903-2000



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## RIDERS TO IHDA REGULATORY AGREEMENT

### Revised Third WHEREAS clause:

**WHEREAS**, IHDA is using the proceeds of the Bonds to make a loan (the “Loan”) to the Borrower; the Loan is evidenced, secured and governed by, among other things: (a) the Financing Agreement of even date herewith (the “Financing Agreement”) executed by the Borrower, IHDA and The Bank of New York Mellon Trust Company, N.A. (“Trustee”), (b) the promissory note dated the Closing Date (the “Note”) from the Borrower to IHDA, as such has been assigned by IHDA to the Trustee, (c) a mortgage securing the Loan (the “Bond Mortgage”), (d) the Tax Regulatory Agreement of even date herewith (the “Tax Regulatory Agreement”) between the Borrower and the Issuer, (e) any Custodial Escrow Agreement, (f) the Credit Enhancement Agreement of even date herewith (the “Credit Enhancement Agreement”) between the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Trustee, (g) the Reimbursement Agreement of even date herewith (the “Reimbursement Agreement”) between the Borrower and Freddie Mac, (h) a mortgage securing the Borrower's reimbursement obligations to Freddie Mac pursuant to the Reimbursement Agreement (the “Reimbursement Mortgage”), (i) the Intercreditor Agreement of even date herewith (the “Intercreditor Agreement”) by and among IHDA, the Trustee and Freddie Mac, and (j) this Agreement. The documents listed in (a) through (j) above, and all other documents executed by the Borrower that evidence, govern or secure the Loan, are collectively referred to in this Agreement as the “Loan Documents;” and

### New Section 17 to be added:

**17. Freddie Mac Required Rider to Control.** Until such time as the Freddie Mac Credit Enhancement Agreement is released pursuant to the terms of the Indenture, notwithstanding any provision of this Agreement to the contrary, to the extent of any conflict between the provisions of this Agreement set forth above and those set forth in the Freddie Mac Rider attached hereto, the provisions of the Freddie Mac Rider shall control.