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THIS INSTRUMENT WAS PREPARED BY
AND AFTER RECORDING RETURN TO:
Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attn: Brent D. Butcher

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 01/04/2021 09:47 AM PG: 1 OF 13

Property Address:
See Attached Exhibit A

Property Identification No(s):
See Attached Exhibit A

IHDA Loan No. 11830

IHDA REGULATORY AGREEMENT

THIS IHDA REGULATORY AGREEMENT (this "Agreement") is made and entered into as of this 30th day of December, 2020, between **SCHILLER PLACE LP**, an Illinois limited partnership (the "Borrower"), whose address is 566 W. Lake Street, Suite 400, Chicago, Illinois 60661, and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** ("Authority"), 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"), whose principal office is located at 111 East Wacker Drive, Suite 1000, Chicago, Illinois 60601.

RECITALS:

WHEREAS, the Borrower is the owner of certain real estate commonly known as Schiller Place, and 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, the Authority is issuing its Multifamily Housing Revenue Note, Series 2020A (Schiller Place) and Multifamily Housing Revenue Note, Series 2020B (each a "Note" and collectively, the "Notes") to provide financing for a multifamily housing development located on the Real Estate (the Real Estate and the improvements constructed and/or to be constructed on it are collectively referred to in this Agreement as the "Development") containing forty-eight (48) units; and

WHEREAS, the Authority is using the proceeds of the Notes to make a loan (the "Loan") to the Borrower, which will immediately be assigned to **CIBC BANK USA**, an Illinois state chartered bank (the "Bank"); the Loan is evidenced, secured and governed by, among other things: (a) the Borrower Loan Agreement of even date herewith (the "Loan Agreement") executed by the Borrower and the Authority and pledged to the Bank, and (b) 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

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WHEREAS, as an inducement to the Authority to issue the Notes to provide financing for the Loan, the Borrower has agreed to enter into this Agreement and consents to be regulated and restricted by the Authority as provided in this Agreement, the Act and the Rules (as defined below).

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 the Authority 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 the Authority as Administrative Expenses.

b. "Closing Date" shall mean the date on which the Loan proceeds are made available to the Borrower.

c. "Development" shall mean the Real Estate and all of the improvements constructed on it and/or to be constructed on it.

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

e. "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. Maintenance Expenses shall not include the costs of correcting construction or design defects or similar defects or any other expenses not approved by Lender as Maintenance Expenses.

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f. "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; elevator operation; real estate taxes; assessments; and insurance premiums. Operating Expenses shall not include capital expenditures; expenses of readying the Development for initial occupancy; repayment of indebtedness incurred by Borrower if such indebtedness has not been approved by Lender; reimbursements to Borrower for capital contributions; fidelity bond fees; or other loans, advances and expenses not approved by Lender as Operating Expenses.

g. "Rules" shall mean the administrative rules promulgated by the Authority under the Act, as amended from time to time, and codified at 47 Ill. Adm. Code 310.

h. "Tenant" shall mean a person, family or unrelated persons leasing a Unit.

i. "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 conform to the Act and the Rules.

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

a. At least forty percent (40%) of the Units shall be occupied by Tenants whose family income is sixty percent (60%) or less of the median income of the Chicago metropolitan statistical area of Cook County, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

b. The Borrower has previously submitted to the Authority 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 the Authority.

c. 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 (unless otherwise required by the Code), a recertification of income (the "Recertification").

d. 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 end of 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 the Authority that, at the time of such certification and during the preceding calendar year, the Borrower was in compliance with the requirements of this **Paragraph 4.**

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e. The Borrower shall not permit the use of the Units for any purpose except residential use.

5. **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 the Authority or its agents or representatives.

b. **Books and Records.** The books of account 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 the Authority and during normal business hours, allow access to the records and books of account related to the operation of the Development, including, without limit, any supporting or related vouchers or 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 the Authority a complete audited financial statement report for the Development based upon an examination of the books of accounts 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 the Authority.

d. **Furnishing Information.** At the request of the Authority, the Borrower shall furnish such reports, projections and analyses as are required pursuant to the Rules, and the policies and procedures of the Authority, 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.

e. **Annual Certification.** The Borrower shall file each year the Internal Revenue Service a Form 8703 (Annual Certification of a Residential Rental Project) to provide annual information to the Internal Revenue Service that it will use to determine whether the Development continues to be a "qualified residential rental project" under Section 142(d) of the Code.

6. **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

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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 Section 13 of the Act and all other provisions of applicable federal, state and local law relative to non-discrimination.

7. **Violation of Agreement by Borrower.** If the Borrower violates any of the provisions of this Agreement, the Authority 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 (and is curable within such longer reasonable period as the Authority shall, in its discretion, approve), Borrower shall have such time as may be reasonably necessary to cure it, if the Borrower commences to cure the violation 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 the Authority in its sole discretion permits, then without further notice the Authority may declare a default under this Agreement, effective on the date of such declaration, and upon such default, the Authority may exercise any and all remedies that it may have, at law or in equity. The Authority's remedies are cumulative and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of the Authority's other remedies.

Notwithstanding anything to the contrary contained in this Agreement, the Authority agrees that any cure of any default made or tendered by one of Borrower's limited partners shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

8. **Development Funds and Development Property.** The Development and Development Funds are referred to in this Agreement as "Development Property." Development Funds should 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; and (v) payments of amounts due under any permitted subordinate financing.

9. **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 owner-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 owner-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. The owner-transferee shall assume the Loan Documents to the extent provided in them.

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10. 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 Land Use Restriction Agreement executed by Borrower in regards to the Notes; and (iii) fifteen (15) years.

11. 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, that certain Mortgage dated as of the date of this Agreement made by the Borrower to the Authority and assigned by the Authority to the Bank.

12. Miscellaneous.

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

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

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

d. Number and 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, the Authority may have it recorded at the expense of the Borrower. The Borrower agrees to pay such expenses or reimburse the Authority for its payment of such expenses promptly upon demand.

f. Waiver by the Authority. No waiver by the Authority 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 or 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.

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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 the Authority:

Illinois Housing Development Authority

111 East Wacker Drive, Suite 1000

Chicago, Illinois 60601

Attention: Managing Director of Multifamily Financing Programs

with a copy to:

Illinois Housing Development Authority

111 East Wacker Drive, Suite 1000

Chicago, Illinois 60601

Attention: General Counsel

If to the Borrower:

Schiller Place LP

c/o Evergreen Redevelopment LLC

566 W. Lake Street, Suite 400

Chicago, IL 60661

Attention: David Block

With copy to:

Applegate & Thorne-Thomsen, P.C.

425 South Financial Place, Suite 1900

Chicago, Illinois 60605

Attention: Paul Davis

Structured Development LLC

211 North Clinton Street, Suite 300S

Chicago, IL 60661

Attention: J. Michael Drew

Hudson Housing Capital LLC

630 Fifth Avenue, Suite 2850

New York, NY 10111

Attention: Joseph A. Macari

and

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Bocarsly Emden Cowan Esmail & Arndt LLP
7700 Old Georgetown Road, Suite 600
Bethesda, MD 20814
Attention: Craig A. Emden

In connection with a courtesy copy, the Authority will exercise reasonable efforts to provide copies of any notices given to Borrower; however, the Authority's failure to furnish copies of such notices shall not limit the Authority's exercise of any of its rights and remedies under any document evidencing, securing or governing the Notes, or affect the validity of the notice.

Such addresses may be changed by notice to the other party given in the same manner as provided in this **Paragraph 12.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.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

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

BORROWER:

SCHILLER PLACE LP,
an Illinois limited partnership

By: Evergreen-Schiller, LLC,
an Illinois limited liability company,
its general partner

By: 

Name: David Block

Title: Manager

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____

Printed Name: Maureen Ohle

Its: General Counsel

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

BORROWER:


SCHILLER PLACE LP,
an Illinois limited partnership

By: Evergreen-Schiller, LLC,
an Illinois limited liability company,
its general partner

By: _____
Name: _____
Title: Manager

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: 
Printed Name: Maureen Ohle
Its: General Counsel

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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that David Block, personally known to me to be the Manager of Evergreen-Schiller, LLC, an Illinois limited liability company (the "General Partner"), the general partner of Schiller Place LP, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such manager, he signed and delivered the said instrument, pursuant to authority given by the members of the General Partner as his free and voluntary act, and as the free and voluntary act and deed of the General Partner and Schiller Place LP, for the uses and purposes therein set forth

Given under my hand and official seal this 28 day of October, 2020.

Kaitlyn Elizabeth Nibbelin
 Notary Public

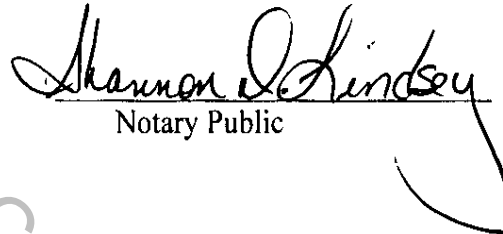


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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the State and County aforesaid, certify that **Maureen G. Onie**, personally known to me to be the ~~GENERAL COUNSEL~~ of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that ~~she~~ signed and delivered the said instrument in her capacity as ~~GENERAL COUNSEL~~ of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, as free and voluntary act and deed and as the free and voluntary act and deed of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, for the uses and purposes therein set forth.

Given under my hand and official seal this 8th day of December, 2020.


 Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

LOT 12 IN NEW CITY SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 28, 2018 AS DOCUMENT 1808744017, IN COOK COUNTY, ILLINOIS.

Address: 711 W. Schiller Street, Chicago, IL 60642
731 W. Schiller Street, Chicago, IL 60642
749 W. Schiller Street, Chicago, IL 60642

PIN: 17-04-142-071-0000