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THIS INSTRUMENT WAS PREPARED BY AND AFTER RECORDING RETURN TO:

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Chicago, Illinois 60602
41058226 (16 OF 18)



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KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 10/22/2021 12:39 PM PG: 1 OF 9

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ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT ("Assignment and Assumption") is made as of this October 21, 2021, by and among **MAGNOLIA LIMITED PARTNERSHIP**, an Illinois limited partnership (the "Prior Owner"), **CARLTON APARTMENTS SUPPORTIVE HOUSING LLC**, an Illinois limited liability company (the "Owner"), and consented to by the **CITY OF CHICAGO** (the "City"), a municipality and home rule unit of local government, acting by and through its Department of Housing ("DOH").

RECITALS

WHEREAS, DOH is an executive department of the City that supervises and coordinates the formulation and execution of projects and programs creating safe, decent and affordable housing for residents of the City; and

WHEREAS, DOH is the agency of the City which has been designated to allocate low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Tax Credits"); and

WHEREAS, DOH has issued an allocation of Tax Credits to the Prior Owner in connection with the acquisition and/or construction or rehabilitation by Prior Owner of a low-income housing development erected on real property (the "Real Estate") located within the City and legally described on Exhibit A attached hereto and hereby made a part hereof. The Real Estate and the improvements located on it are collectively referred to in this Assignment and Assumption as the "Development;" and

WHEREAS, the City made (i) a loan in the original principal amount of \$1,536,058 (the "City Loan") to Magnolia Limited Partnership, an Illinois limited partnership (the "Prior Owner"), as evidenced by, among other things, that certain City Note dated as of April 30, 1993 in favor of the City; and

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WHEREAS, as a specific condition precedent to the Prior Owner receiving the City Loans and in connection with the allocation of Tax Credits to the Prior Owner and the Development, the Prior Owner and the City executed a Regulatory Agreement (the "**Regulatory Agreement**") dated April 30, 1993 and recorded as Document Number 93356032 on May 12, 1993 in the Office of the Recorder of Deeds in Cook County, Illinois (the "**Recorder of Deeds**"); and

WHEREAS, Prior Owner completed construction of the Development and placed it in service as required by the Regulatory Agreement; and

WHEREAS, in connection with the receipt of Illinois Affordable Housing Tax Credits and the financing of rehabilitation of the Development, Prior Owner and Mercy Housing Lakefront ("**MHL**") entered into that certain Real Estate Purchase Agreement dated as of June 9, 2020 (which MHL subsequently assigned its rights thereunder to The Thresholds, an Illinois not-for profit corporation ("**Thresholds**"), under which Prior Owner agreed to donate and convey all of its right, title and interest in and to the Development to Thresholds, and Thresholds agreed to acquire the same from Prior Owner; and MHL entered into that certain Real Estate Purchase Agreement dated as of June 9, 2020 (which MHL subsequently assigned its rights thereunder to Thresholds), under which Thresholds agreed to sell and convey all of its right, title, and interest in and to the Development to MHL Carlton Apartments MM LLC, an Illinois limited liability company (the "**General Partner**"), and the General Partner agreed to acquire the same from Thresholds; and the General Partner entered into that certain Real Estate Purchase Agreement dated as of June 9, 2020, under which the General Partner agreed to sell and convey all of its right, title, and interest in and to the Development to Owner, and Owner agreed to acquire the same from the General Partner (collectively, the aforementioned real estate purchase agreements, as assigned and amended, being the "**Purchase and Sale Agreement**"); and

WHEREAS, prior to the recordation of this Assignment and Assumption, Prior Owner, Thresholds, the General Partner, and Owner are consummating the transaction contemplated by the Purchase and Sale Agreement (the "**Purchase and Sale**") by causing those certain Special Warranty Deeds dated on or before the date of this Assignment (the "**Conveyance Deed**") to be recorded in the Recorder of Deeds, pursuant to which Owner is acquiring all of Prior Owner's right, title and interest in and to the Development; and

WHEREAS, the Owner is funding the Purchase and Sale and the Rehabilitation with (i) investor equity in connection with the federal low-income housing tax credits, (ii) a construction loan from CIBC Bank USA, (iii) a permanent loan from Mercy Housing, Inc., (iv) seller financing, and (v) other funds loaned to the Owner by MHL; and

WHEREAS, the City Loan and all other indebtedness outstanding to the City with respect to the Development is being repaid and satisfied in its entirety by Prior Owner in connection with the Purchase and Sale, but the Tax Credit Termination Date (as defined in the Regulatory Agreement) will not have yet occurred, and therefore the Regulatory Agreement must remain in effect against the Real Estate as of the Purchase and Sale; and

WHEREAS, the Owner desires to (i) consummate the Purchase and Sale and (ii) assume the Regulatory Agreement; and

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WHEREAS, it is a condition of the City's consent to the Purchase and Sale that the Prior Owner assigns, and that the Owner assumes, the Prior Owner's obligations under the Regulatory Agreement; and

NOW, THEREFORE, for and in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Recitals**. The recitals set forth above are incorporated into this Assignment and Assumption by this reference.

2. **Assignment of Regulatory Agreement**. The Prior Owner assigns and transfers to the Owner, its successors and assigns, all of its rights, duties, obligations and interest under the Regulatory Agreement.

3. **Acceptance of Assignment**. The Owner, for itself, its successors and assigns, agrees to be bound by all of the terms, conditions, obligations and restrictions set forth in the Regulatory Agreement, to the same extent and on the same terms as the Prior Owner; however, the Owner shall not be so obligated with respect to matters that occurred or arose prior to the date of this Assignment and Assumption. It is the intent of the parties that, as of the date of this Assignment and Assumption, the Owner now be treated as the owner of the Development under the terms of the Regulatory Agreement.

4. **No Release**. Nothing in this Assignment and Assumption shall act as a release or waiver of any claim that may arise in connection with the Prior Owner's failure to have faithfully discharged all of its duties and responsibilities under the Regulatory Agreement prior to the date of this Assignment and Assumption. However, the Prior Owner shall have no obligation for the performance of any rights, duties and obligations that accrue under the Regulatory Agreement, as amended by this Assignment and Assumption, subsequent to the date of this Assignment and Assumption.

5. **Amendment of Assignment and Assumption**. This Assignment and Assumption shall not be altered or amended without the prior written approval of all of the parties to it.

6. **Partial Invalidity**. If a court of competent jurisdiction determines that any term, covenant, condition or provision of this Assignment and Assumption, or its application to any circumstance, at any time or to any extent, is invalid or unenforceable, the remainder of this Assignment and Assumption, or the application of it to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such determination and each term, covenant, condition and provision of this Assignment and Assumption shall be valid and enforceable to the fullest extent permitted by law.

7. **Successors**. This Assignment and Assumption shall bind, and the benefits shall inure to, the parties to this Assignment and Assumption, their legal representatives, successors in office or interest and assigns; however, the Owner may not further assign this Assignment and Assumption, or any of its obligations under this Assignment and Assumption, without the prior written approval of the City.

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8. **Captions.** The captions used in this Assignment and Assumption are used only as a matter of convenience and for reference and in no way define, limit or describe its scope or intent.

9. **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 Assignment and Assumption 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.

a. If to the Prior Owner: Magnolia Limited Partnership
120 S. LaSalle, Suite 1915
Chicago, Illinois 60603
Attention: Mark Angelini

With a copy to Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Paul Davis

b. If to the New Owner: Carlton Apartments Supportive Housing LLC
c/o Mercy Housing Lakefront
120 S. LaSalle, Suite 1915
Chicago, Illinois 60603
Attention: Mark Angelini

With a copy to Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Paul Davis

c. If to City: City of Chicago, Illinois
c/o Department of Housing
121 N. LaSalle Street, 10th Floor
Chicago, Illinois 60602
Attention: Commissioner

With a copy to Office of the Corporation Counsel
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development
Division

Such addresses may be changed by notice to the other party given in the same manner as provided in this Assignment and Assumption. 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

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be served and effective one (1) business day after deposit with the overnight courier with charges pre-paid. 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.

10. **Counterparts.** This Assignment and Assumption may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Assignment and Assumption must be produced or exhibited, be the Assignment and Assumption, but all such counterparts shall constitute one and the same instrument.

[Signature Page Follows]

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ASSIGNMENT AND ASSUMPTION OF REGULATORY ACKNOWLEDGMENT

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption as of the date set forth above.

PRIOR OWNER:

MAGNOLIA LIMITED PARTNERSHIP, an Illinois limited partnership

By: Harold Washington Apartments Corporation, an Illinois corporation
Its: Sole General Partner


By: 

Mark Angelini, President

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 Mark Angelini, personally known to me to be the President of Harold Washington Apartments Corporation, an Illinois corporation and general partner (“**General Partner**”) of Magnolia Limited Partnership, an Illinois limited partnership (“**Prior Owner**”), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President, she/he signed and delivered the said instrument pursuant to authority given by the General Partner as her/his free and voluntary act, and as the free and voluntary act and deed of the General Partner and the Prior Owner for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23rd day of September, 2021.



Notary Public

My Commission Expires 4-2-23



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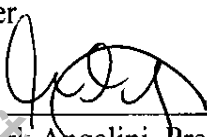
ASSIGNMENT AND ASSUMPTION OF REGULATORY ACKNOWLEDGMENT

OWNER:

CARLTON APARTMENTS SUPPORTIVE HOUSING LLC,
an Illinois limited liability company

By: MHL Carlton Apartments MM LLC,
an Illinois limited liability company
Its manager

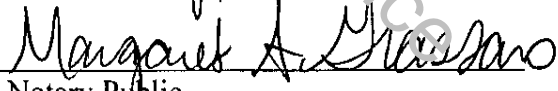
By: Mercy Housing Lakefront,
an Illinois not-for-profit corporation
Its manager

By: 
Mark Angelini, President

STATE OF ILLINOIS)
)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, does hereby certify that Mark Angelini, President of Mercy Housing Lakefront, an Illinois not-for-profit corporation, the manager of **MHL CARLTON APARTMENTS MM LLC**, an Illinois limited liability company, the manager of **CARLTON APARTMENTS SUPPORTIVE HOUSING LLC**, an Illinois limited partnership, 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/he signed and delivered the said instrument as her/his own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23rd day of September, 2021.


Notary Public

My Commission Expires 4-2-23



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CONSENTED TO:

CITY:

CITY OF CHICAGO, ILLINOIS by and through its Department of Housing

By: Marisa Novara
Marisa Novara, Commissioner

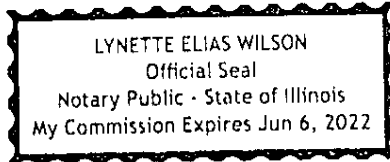
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that **MARISA NOVARA**, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner, he signed and delivered the said instrument pursuant to authority, as his free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes herein set forth.

GIVEN under my hand and notarial seal this 7th day of October, 2020.

Lynette Elias Wilson
Notary Public

My Commission Expires June 6, 2022



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EXHIBIT A

LEGAL DESCRIPTION

All that real property situated in the City of Chicago, County of Cook, State of Illinois and more particularly described as follows:

LOT 91 IN SHERIDAN DRIVE SUBDIVISION, BEING A SUBDIVISION OF THE NORTH 3/4 OF THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THAT PART OF THE WEST 1/2 OF SAID NORTH WEST 1/4 OF SAID SECTION WHICH LIES NORTH OF THE SOUTH 800 FEET THEREOF AND EAST OF GREEN BAY ROAD, IN COOK COUNTY, ILLINOIS

The following information is provided solely for convenience of the parties:

ADDRESS COMMONLY KNOWN AS: 4626 North Magnolia Avenue, Chicago, Illinois 60640