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This document prepared by and when recorded return to:
Peter Levine, Esq.
Office of Corporation Counsel
City Hall, 5th Floor
121 North LaSalle Street
Chicago, Illinois 60602

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT entered into this 30th day of December, 1991 (this "Regulatory Agreement"), by and among the City of Chicago, Illinois (the "City"), an Illinois municipal corporation, by and through its Department of Housing ("DOH"), with offices at 318 South Michigan Avenue, Chicago, Illinois 60604, Cole Taylor Bank, not personally, but solely as Trustee (the "Trustee") under a Trust Agreement dated October 30, 1990 and known as Trust No. 90-3016, and KOSOH Housing Limited Partnership, an Illinois limited partnership (the "Developer"), having its offices at 310 South Peoria Street, Suite 201, Chicago, Illinois 60607.

W I T N E S S E T H

WHEREAS, DOH is an executive department of the City established pursuant to Title 2 of the Municipal Code of the City, Chapter 2-44, Section 2-44-010, which 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 a Tax Credit reservation in the amount of \$99,000 to the Developer in connection with the acquisition and/or construction or rehabilitation of a low-income housing development erected or to be erected on real property located within the City and legally described on Exhibit A attached hereto and hereby made a part hereof (the "Project"); and

WHEREAS, the Developer has represented to the City that at least 41 of the units in the Project (the "Low-Income Units") will be occupied by or available for occupancy to Lower-Income Families (as hereinafter defined); and

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WHEREAS, as a specific condition precedent to the Developer receiving the Tax Credit reservation, the Developer and the Trustee have agreed to execute this Regulatory Agreement with the City governing the use of the Project;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Developer, the Trustee and the City each agree as follows:

SECTION 1 DEFINITIONS AND INTERPRETATIONS.

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"Annual Report" shall mean the report from the Developer in substantially the form set forth in Exhibit D attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Certificate of Continuing Program Compliance" shall mean the certificate from the Developer in substantially the form set forth in Exhibit B attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"City" shall mean the City of Chicago, Illinois, an Illinois municipal corporation, and its successors and assigns.

"Code" shall mean the Internal Revenue Code of 1986, and all applicable regulations or rulings thereunder, as amended and supplemented.

"Compliance Period" shall mean the period of fifteen taxable years beginning with the first taxable year of the Credit Period.

"Credit Period" shall mean the 10-year period described in Section 42(f) of the Code.

"Developer" shall mean, initially, KOSOH Housing Limited Partnership, an Illinois limited partnership, and at any subsequent time of reference, the Person or Persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"DOH" shall mean the Department of Housing of the City, and any successor to said Department.

"Extended Use Period" shall have the meaning given to such term in Section 5.2(b) hereof.

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"Gross Rent" shall have the meaning assigned to such term in Section 42(g) of the Code.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Imputed Income Limitation" shall have the meaning assigned to such term in Section 42(g) of the Code.

"Income Computation Certificate" shall mean the certificate in substantially the form set forth in Exhibit C attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Income Limit" shall mean 60% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

"Increased-Income Unit" shall have the meaning given to such term in Section 2.12(b) hereof.

"Low-Income Units" shall mean those residential units in the Project which will be occupied by or available for occupancy to Lower-Income Families.

"Lower-Income Families" shall mean and include individuals, groups of unrelated persons or families whose adjusted annual income does not exceed the Income Limit.

"Permitted Tenants" shall have the meaning given to such term in Section 6.3 hereof.

"Persons" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project" shall mean the low-income housing development erected or to be erected on real property located within the City and legally described on Exhibit A hereto.

"Project Term" shall mean the number of years during which the Low-Income Units must be occupied by or available for occupancy to Lower-Income Families. The Project Term shall begin and shall continue as described in Sections 5.1 and 5.2 hereof.

"Regulatory Agreement" shall mean this Regulatory Agreement, as supplemented and amended.

"Request Date," with respect to any building which is part of the Project, shall mean a date (which shall be after the last day of the fourteenth year of the Compliance Period) on which the Developer submits a written request to DOH or the City to find a Person to acquire the Developer's interest in the low-income portion of such building.

"Search Period" shall mean the one-year period commencing on a Request Date.

"Section 42 Termination Date" shall mean the date specified in Section 42(h)(6)(D)(ii)(II) of the Code; provided, however, that if DOH has not presented a "qualified contract" (as defined in Section 42(h)(6)(F) of the Code) by the end of the period provided in Section 42(h)(6)(I) of the Code, "Section 42 Termination Date" shall mean the date specified in Section 42(h)(6)(E)(i)(II) of the Code.

"State" shall mean the State of Illinois.

"Tax Credits" shall mean low-income housing tax credits available for allocation pursuant to Section 42 of the Internal Revenue Code of 1986.

SECTION 2 DEVELOPER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Developer hereby represents, warrants, covenants and agrees as follows:

2.1 The Project has been or shall be acquired, constructed and/or rehabilitated for the purpose of providing residential rental property, and the Trustee shall own and the Developer shall manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.2 The Project shall consist of residential units, together with facilities functionally related and incidental thereto, and which units are similar in quality and type of construction and amenities. At least 41 of the units shall be Low-Income Units.

2.3 Each residential unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless, in which case such unit(s) shall comply with the applicable requirements of Section 42 of the Code) which are to be used on other than a transient basis.

2.4 None of the residential units in the Project shall at any time be used on a transient basis, and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

2.5 The Low-Income Units in the Project shall be made available for lease by members of the general public and the Developer shall not give preference in renting Low-Income Units in the Project to any particular class or group of persons other

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than Lower-Income disabled Families. Leasing of the units will be done in a manner consistent with federal housing policy regarding non-discrimination as determined under HUD rules and regulations.

2.6 The Low-Income Units in the Project shall consist of the following:

<u>Number of Bedrooms</u>	<u>Number of Low-Income Units</u>
studio	13
one bedroom	12
two bedroom	12
three bedroom	4

2.7 The Developer shall not convert any residential units in the Project to condominium ownership or to any form of cooperative ownership.

2.8 The Developer shall not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local housing assistance program or on the basis that they have a minor child or children who will be residing with them.

2.9 All of the residential units shall be, after completion of the rehabilitation of the Project, and shall remain suitable for occupancy, and all of the Low-Income Units shall be occupied or available for occupancy by Lower-Income Families, subject to Section 2.12 hereof.

2.10 All of the Low-Income Units shall be leased only to tenants who are Lower-Income Families at the time of initial occupancy by such Lower-Income Families.

2.11 Prior to the Section 42 Termination Date, the Gross Rent charged each month for any Low-Income Unit shall not exceed at any time 30% of the Imputed Income Limitation applicable to such Low-Income Unit; provided, however, that following the Section 42 Termination Date, the rent increase restriction contained in Section 42(h)(6)(E)(ii) of the Code shall apply to each Low-Income Unit.

2.12 (a) For purposes of satisfying the requirements set forth in Section 2.9 above, a Low-Income Unit occupied by a Lower-Income Family whose income has exceeded the applicable Income Limit after initial occupancy of such Low-Income Unit by such Lower-Income Family shall, subject to paragraph (b) of this Section, be deemed to comply with Section 2.9 hereof if the rent for such Low-Income Unit complies with Section 2.11 hereof.

(b) A Low-Income Unit (the "Increased-Income Unit") occupied by a Lower-Income Family whose income has increased above 140% of the Income Limit shall be deemed to comply with

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Section 2.9 hereof if the rent for the Increased-Income Unit complies with Section 2.11 hereof but only if the next available Low-Income Unit in the Project of a comparable size with or smaller than the Increased-Income Unit is occupied by a new tenant who is a Lower-Income Family.

2.13 The Developer shall include in leases for all Low-Income Units provisions which authorize the Developer and/or the Trustee to immediately terminate the tenancy of any tenant who misrepresented any fact material to the tenant's qualification as a Lower-Income Family.

2.14 All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Developer which is unrelated to the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. If the Developer employs a management agent for the Project, the Developer shall require such agent to comply with the requirements of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project. The Developer shall permit and shall cause any such management agent to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Developer or such agent regarding the Project with respect to the incomes of Lower-Income Families residing as tenants in the Project which pertain to compliance with the provisions of this Regulatory Agreement or Section 42 of the Code.

2.15 All tenant leases for Low-Income Units shall be written, shall be for a period of not less than six months, shall be in conformity with all applicable laws, including without limitation the City's Residential Landlord and Tenant Ordinance, as the same has been or may be amended, and shall contain clauses, inter alia, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Computation Certificate and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Developer or the City, and that the failure to provide accurate information in the Income Computation Certificate or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.16 The Developer shall obtain and maintain on file, during the longer of (a) a five-year period commencing as of the date hereof, or (b) the Project Term (or, if longer, such other period as may be specified in Section 42 of the Code), a sworn and notarized Income Computation Certificate with respect to each

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and every individual, group of unrelated persons or family who is intended to be a tenant in a Low-Income Unit, signed by the tenant or tenants (i.e., the person or persons whose name or names appears on the lease) and obtained by the Developer (a) prior to such tenant or tenants occupying the Low-Income Unit or signing a lease with respect thereto, and (b) thereafter at least annually so long as such person or persons remain as tenants in a Low-Income Unit.

2.17 The Developer agrees that it will take any and all actions required by the City to substantiate the Developer's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City (a) at the beginning of the Project Term and, on or before the first day of January of each year during the Project Term, a Certificate of Continuing Program Compliance executed by the Developer, and (b) on the first day of January of each year prior to the third anniversary of the Section 42 Termination Date, an Annual Report executed by the Developer.

2.18 The Developer shall notify the City of the occurrence of any event of which the Developer has notice and which event would violate any of the provisions of this Regulatory Agreement.

2.19 The Developer shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 et seq. of the Municipal Code of the City, as supplemented and amended.

2.20 The Developer shall provide to the City a tenant profile for each Lower-Income Family for each Low-Income Unit within 60 days after such Low-Income Unit is leased to such Lower-Income Family. For each Low-Income Unit, the Developer shall provide the City with data on the racial, ethnic, gender and income-level characteristics of (a) the tenants, if any, occupying such Low-Income Unit before rehabilitation, (b) the tenants moving into such Low-Income Unit initially after rehabilitation and (c) the applicants for tenancy of such Low-Income Unit within 90 days following the date as of which the rehabilitation of the project work has been completed.

2.21 All interior and exterior painted surfaces of each unit in the Project shall be treated in accordance with 24 C.F.R. §35.24(b)(2), and any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.22 Neither the Trustee nor the Developer has executed and neither shall execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

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2.23 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Developer contained in the Developer's application for Tax Credits and any other document submitted by the Developer to the City in connection with the Project remain true and in effect as of the date hereof.

2.24 The Developer agrees that it will pay any reasonable fee which the City may hereafter assess in its sole discretion to underwrite the costs of monitoring activities performed by the City.

2.25 The Developer is a limited partnership duly organized under the laws of the State of Illinois and qualified to transact business under the laws of the State.

2.26 The Developer has (a) the power and authority to own its properties and assets and to carry on the business as now being conducted (and as contemplated by this Regulatory Agreement), and (b) the full legal right, power and authority to execute and deliver this Regulatory Agreement and to perform all the undertakings of the Developer hereunder.

2.27 Execution and performance of this Regulatory Agreement by the Developer (a) will not violate and has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (b) will not violate and has not violated any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Developer is a party or by which it or its property is bound, and (c) will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

2.28 The Trustee has, as of the date of execution and delivery of this Regulatory Agreement, good and marketable title to the Project free and clear of any lien or encumbrance (except for encumbrances created pursuant to this Regulatory Agreement or other permitted encumbrances previously disclosed to and approved by the City).

2.29 There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Developer, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its ability to carry on business substantially as now conducted (and as contemplated by this Regulatory Agreement) or would materially adversely affect its financial condition.

2.30 The Developer shall not discriminate on the basis of race, creed, color, sex, handicap, marital status, family status or national origin in the lease, use or occupancy of any residential units in the Project or in connection with the employment or application for employment of Persons for the

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operation and management of the Project.

2.31 The Project constitutes or will constitute a "qualified low-income building" or "qualified low-income project," as applicable, as defined in Section 42 of the Code.

2.32 The Developer shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project or permit the use of any residential unit of the Project for any purpose other than rental housing during the term of this Regulatory Agreement unless required by law.

2.33 If the Project or any part thereof shall be damaged or destroyed or shall be condemned or acquired for public use, the Developer will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Regulatory Agreement.

SECTION 3 RELIANCE.

The City, the Trustee and the Developer hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all parties. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Developer, the Trustee and Lower-Income Families and upon audits of the books and records of the Developer pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion. The City and the Developer agree that it is the Developer's responsibility to determine that each potential tenant for a Low-Income Unit qualifies as a Lower-Income Family, and that in making such determinations, the Developer shall exercise due diligence.

SECTION 4 SALE OR TRANSFER OF THE PROJECT.

The Developer and the Trustee hereby covenant and agree not to sell, transfer or otherwise dispose of the Project or any portion thereof (including without limitation, a transfer by assignment of any beneficial interest under a land trust), at any time during the Compliance Period, except as expressly permitted by the City. The Developer and the Trustee hereby agree and covenant that no portion of any building to which this Regulatory Agreement applies shall be transferred to any Person unless all of such building is transferred to such Person. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 4 shall be null, void and without effect, shall cause a reversion of title to the Trustee or any successor or assignee of the Trustee last permitted by the City, and shall be ineffective to relieve

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the Developer, the Trustee or such successor or assignee, as applicable, of its obligations hereunder.

SECTION 5 TERM.

5.1 The covenants and restrictions contained in this Regulatory Agreement shall become effective on the date hereof and shall remain in full force and effect until such time specified in Section 5.2 hereof (the period between the date hereof and the time specified in Section 5.2 hereof being referred to herein as the "Project Term"), it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

5.2 (a) The covenants and restrictions contained herein, subject to paragraphs (b) and (c) of this Section, shall end on the day which is the last day of the Compliance Period for the Project.

(b) The covenants and restrictions contained herein (excluding Section 4) shall continue for a period (the "Extended Use Period") from the last day of the Compliance Period for the Project until the fifteenth anniversary of such last day; provided, however, that the covenants and restrictions contained herein with respect to any building that is part of the Project shall terminate, subject to paragraph (c) of this Section, upon either:

(1) the date such building is acquired by foreclosure of any mortgage of record on such building or by an instrument in lieu of foreclosure; provided, however, that any such foreclosure or transfer shall not terminate the covenants and restrictions contained herein with respect to such building if such foreclosure or transfer is part of an agreement with the Developer a purpose of which is to terminate the Extended Use Period for such building; or

(2) the last day of the Search Period for such building if neither DOH nor the City is able to present during such Search Period a "qualified contract" (within the meaning of Section 42(h)(6)(F) of the Code) for the acquisition of such building by any Person who will continue to operate the Low-Income Units in such building as a "qualified low-income building" (within the meaning of Section 42(c)(2) of the Code).

(c) If the covenants and restrictions contained herein shall terminate for any building that is part of the Project on or prior to the Section 42 Termination Date for such building, such termination shall not be construed to permit prior to the end of the three-year period following such termination: (i) the eviction or termination of the tenancy (other than for good cause) of any Lower-Income Family residing in such building, or (ii) any increase in the Gross Rent charged to any Lower-Income

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Family residing in such building not otherwise permitted under Section 42 of the Code.

SECTION 6 ENFORCEMENT.

6.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 60 days or more, the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Developer and/or the Trustee of their respective obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recovery for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

6.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 6 shall be the sole responsibility of the Developer.

6.3 The Developer, the Trustee and the City each acknowledge that the primary purpose of requiring the Developer to comply with the restrictions provided in this Regulatory Agreement is to assure compliance of the Project, the Trustee and the Developer with Section 42 of the Code and for that reason the Trustee and the Developer, in consideration of receiving Tax Credits for the Project, agree and consent that the City and any Permitted Tenant (as hereinafter defined) shall be entitled, for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Trustee and the Developer of their respective obligations under this Regulatory Agreement in a court of competent jurisdiction. To the extent permitted by law, all persons who are or may qualify as Lower-Income Families with respect to the Project (whether as prospective, present or former tenants of the Project) (the "Permitted Tenants") shall have the right to enforce in any court of the State the requirement of Section 2.9 hereof and the terms of Section 5.2(c) hereof.

6.4 The Developer and the Trustee further specifically acknowledge that the beneficiaries of the Developer's and the Trustee's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach or violation or attempted breach or violation of any of the foregoing representations or covenants.

6.5 Notwithstanding anything in this Regulatory Agreement to the contrary, upon any failure of the Developer or the Trustee

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to comply fully with the Code, the covenants and agreements contained herein or with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, the Internal Revenue Service or the City from time to time pertaining to the obligations of the Developer or the Trustee as set forth therein or herein, the City may, in addition to all of the remedies provided by law or in equity, request the Internal Revenue Service to decertify the Project for Tax Credit dollars and to immediately commence recapture of the Tax Credit dollars heretofore allocated to the Project.

SECTION 7 RECORDING AND FILING.

The Developer shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record. The Developer agrees that the City may withhold the Internal Revenue Service Form 8609 constituting final allocation of the Tax Credits awarded with respect to the Project unless and until the City has received the recorded executed original of this Regulatory Agreement.

SECTION 8 COVENANTS TO RUN WITH THE LAND.

The Developer and the Trustee hereby subject the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City, the Trustee and the Developer hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Trustee's successors in title to the Project throughout the Project Term. The Developer and the Trustee hereby covenant to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another Person in order that such transferee has notice of, and is bound by, such restrictions, and to obtain from any transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided however, that each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such

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covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

SECTION 9 GOVERNING LAW.

This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State and, where applicable, the laws of the United States of America. In the event of any conflict between this Regulatory Agreement and Section 42 of the Code, Section 42 of the Code shall control.

SECTION 10 AMENDMENTS.

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located. The Developer and the Trustee hereby expressly agree to enter into all amendments hereto which, in the opinion of the City, are reasonably necessary or desirable for maintaining compliance under Section 42 of the Code.

SECTION 11 NOTICE.

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified, first class mail, return receipt requested.

IF TO CITY:	City of Chicago, Illinois c/o Department of Housing 318 South Michigan Avenue Chicago, Illinois 60604 Attention: Commissioner
WITH COPIES TO:	Office of the Corporation Counsel City Hall, Room 511 Chicago, Illinois 60602 Attention: Finance and Economic Development Division
IF TO DEVELOPER:	KOSOH Housing Limited Partnership c/o Access Living 310 South Peoria Street, Suite 201 Chicago, Illinois 60607
WITH COPIES TO:	Chicago Equity Fund 1990 Partnership c/o Chicago Equity Fund, Inc. 24 West Erie Street Chicago, Illinois 60610

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IF TO TRUSTEE: Cole Taylor Bank, as Trustee
5501 West 79th Street
Burbank, Illinois 60459
Attention: Trust Department

WITH COPIES TO: Chicago Equity Fund 1990
Partnership
c/o Chicago Equity Fund, Inc.
24 West Erie Street
Chicago, Illinois 60610
Attention: President

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received 48 hours following deposit in the mail.

SECTION 12 SEVERABILITY

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

SECTION 13 COUNTERPARTS.

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

SECTION 14 SURVIVAL OF OBLIGATIONS.

The obligations of the Developer and the Trustee as set forth herein shall survive the allocation of the Tax Credit dollars to the Project and shall not be deemed to terminate or merge with the awarding of the allocation.

SECTION 15 EFFECTIVE DATE.

For purposes of Section 42 of the Code, this Regulatory Agreement shall be deemed effective as of the date first set forth above.

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SECTION 16 EXCULPATION.

This Regulatory Agreement is executed by Cole Taylor Bank, not personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and the Trustee and the Developer hereby warrant that they possess full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any personal liability of the Trustee for any liabilities arising out of this Regulatory Agreement or, for the performance of any covenant, either expressed or implied, herein contained, all such personal liability, if any, being expressly waived by the Trustee and by every Person now or hereafter claiming any right hereunder, and that, so far as the Trustee is personally concerned, any Person now or hereafter claiming any right hereunder shall look solely to the Project or the Developer.

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IN WITNESS WHEREOF, the City, the Trustee and the Developer have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

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

By: _____

Hugh Murphy, Deputy Commissioner
for Marina Carrott, Acting
Commissioner

KOSOH Housing Limited Partnership

By: KOSOH Housing, Inc., its
general partner

By: Barbara Black
agent Sylvia Lewis

Its: President

ATTEST:

By: Donald L. Hawthorne

Its: Secretary

COLE TAYLOR BANK, Trustee, not personally, but solely as Trustee under Trust Agreement dated October 30, 1990 and known as Trust No. 90-3016

By: _____

Its: TRUST Officer

Exoneration provision restricting any liability of Cole Taylor Bank stamped on the reverse side hereof or attached hereto is hereby expressly made a part hereof.

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IN WITNESS WHEREOF, the City, the Trustee and the Developer have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

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

By: [Signature]
Hugh Murphy, Deputy Commissioner
for Marina Carrott, Acting
Commissioner

KOSOH Housing Limited Partnership

By: KOSOH Housing, Inc., its
general partner

By: _____

Its: President

ATTEST:

By: _____

Its: Secretary

COLE TAYLOR BANK, Trustee, not personally, but solely as Trustee under Trust Agreement dated October 30, 1990 and known as Trust No. 90-3016

By: _____

Its: _____

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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 Hugh Murphy, personally known to me to be the Deputy 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 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 therein set forth.

GIVEN under my hand and notarial seal this 30 day of December, 1991.

Peter Levine

Notary Public

My Commission Expires:

(SEAL)

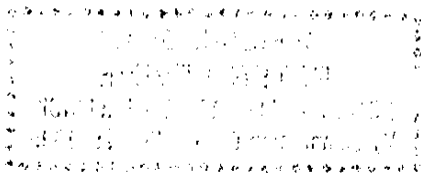
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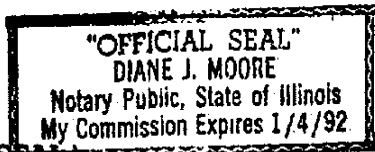


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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Barbara Black and Linda Harrington, personally known to me to be the President and Secretary, respectively, of KOSOH HOUSING, INC. (the "General Partner"), an Illinois corporation and sole general partner of KOSOH Housing Limited Partnership (the "Borrower"), an Illinois limited partnership, and known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary, they signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, and as their respective free and voluntary acts and deeds and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 27th day of December, 1991.



Diane J. Moore
Notary Public

My Commission Expires:

Jan. 4, 1992

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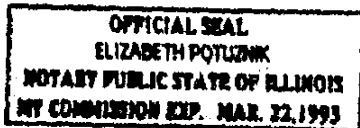
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that BARBARA A. CLEVELAND, personally known to me to be the Trust Officer of Cole Taylor Bank (the "Trustee"), and personally known to me to be the same person whose name is subscribed to in the foregoing instrument, appeared before me this day in person and acknowledged that he signed the said instrument on behalf of Cole Taylor Bank, not personally, but solely as Trustee under Trust Agreement dated October 30, 1990 and known as Trust No. 90-3016 for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 30th day of December, 1991.



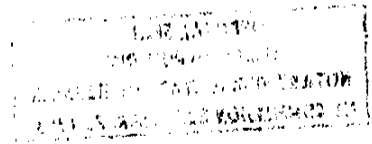
Elizabeth Potuznik
Notary Public

My Commission Expires: Mar 22, 1993

(SEAL)

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EXHIBIT A

LEGAL DESCRIPTION:

THE EAST 60 FEET OF THE WEST 150 FEET OF LOT 2 IN RUFUS C. HALL'S SUBDIVISION OF THE 15 RODS SOUTH OF AND ADJOINING THE NORTH 80 RODS OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS COMMONLY KNOWN AS:

927 West Wilson Avenue
Chicago, Illinois 60640

PERMANENT INDEX NO.:

14-17-220-005-0000

Property of Cook County Clerk's Office

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EXHIBIT B

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, being KOSOH Housing Limited Partnership (the "Developer"), has read and is thoroughly familiar with the provisions of the various documents associated with the award of Tax Credits by the City of Chicago, Illinois (the "City") to the Developer in connection with the property located at 927 West Wilson Avenue, Chicago, Illinois 60640 (the "Project"), such documents including the Regulatory Agreement (the "Regulatory Agreement") dated as of December ____, 1991 among the Developer, Cole Taylor Bank, not personally, but solely as Trustee under Trust Agreement dated October 30, 1990 and known as Trust Number 90-3016, and the City.

As of the date of this certificate, the following number of completed residential units in the Project (i) are occupied by "Lower-Income Families" (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Lower-Income Families and have been vacant for no more than 31 days, as indicated:

Occupied by Lower-Income Families	_____	No. of Units
Previously occupied by Lower-Income Families (vacated and not re-occupied except for a temporary period of no more than 31 days)	_____	No. of Units
	_____	Total

The total number of completed residential units in the Project is _____.

The total number of units occupied or previously occupied by Lower-Income Families as shown above is _____% of the total number of occupied units.

The undersigned hereby certifies that the Developer is not in default under any of the terms and provisions of the above documents.

Dated: _____

By: _____
Authorized Developer
Representative

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EXHIBIT C

INCOME COMPUTATION CERTIFICATE

RE:

Chicago, Illinois

Name of Tenant (i.e., person(s) whose name appears on the lease):

Address of Apartment:

Apartment Number:

Some or all of the cost of the apartment development in which you are to lease an apartment was financed through the use of low-income housing tax credits provided by the City of Chicago, Illinois (the "City") for the development. In order for the development to continue to qualify for these tax credits, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Income Computation Certificate at the time you sign your lease and annually thereafter so long as you remain a tenant in the above apartment development.

CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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Income Computation (Anticipated Incomes)

<u>Name of Members of the Household</u>	<u>Relation-ship to Head of Household</u>	<u>Age (if 18 or under)</u>	<u>Social Security Number</u>	<u>Place of Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
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_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____

1. On the lines below, indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 during the 12-month period beginning this date, including:
- A. Annual Wages and Salary, including, before payroll deduction, all wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services;

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B. Other Income, including but not limited to:

- (i) net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (ii) interest, dividends and net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (B)(i) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- (iii) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- (iv) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (v) public assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance to be included as income shall consist of: (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the public assistance agency could in fact allow the family for shelter and utilities. If the family's public assistance is ratably reduced from the standard

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of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage;

- (vi) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling;
- (vii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is a member of the family; and
- (viii) any earned income tax credit to the extent it exceeds income tax liability.

Please note however, the following types of income should be excluded:

- (i) income from employment of children (including foster children) under the age of 18 years;
- (ii) casual, sporadic or irregular income, including gifts;
- (iii) amounts which are specifically for or in reimbursement of medical expenses for any family member;
- (iv) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (v) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student, but in either case only to the extent used for such purposes;
- (vi) special pay to a family member serving in the Armed Forces and exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aide;
- (ix) amounts received under training programs funded by HUD;

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- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;
- (xi) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program; and
- (xii) amounts specifically excluded by other federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. Federal programs under this section include, but are not limited to:
- (a) the value of the allotment made under the Food Stamp Act of 1977;
 - (b) payments received under the Domestic Volunteer Services Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, Senior Companions);
 - (c) payments received under the Alaska Native Claims Settlement Act;
 - (d) payments from certain submarginal U.S. land held in trust for certain Indian tribes;
 - (e) payments, rebates or credits received under the U.S. Department of Health and Human Services' Low-Income Home Energy Assistance Programs, including any winter differentials given to elderly;
 - (f) payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs);

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- (g) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970;
- (h) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (i) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior;
- (j) amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution;
- (k) payments received from programs funded under Title V of the Older Americans Act of 1965; and
- (l) Agent Orange Settlement Payments to a maximum of \$12,790 per serviceperson or a survivor's benefit of up to \$3,400.

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

(Capital Assets)

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2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:

- a. the total value of all such assets owned by all such persons: \$ _____,
- b. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ _____, and
- c. the amount of such income which is included in item (1): \$ _____.

(Students)

3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No _____

b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes _____ No _____

I acknowledge that all of the above information is relevant to the status of the tax credits provided by the City to finance acquisition, construction and/or rehabilitation of the apartment for which application is being made. I consent to the disclosure of such information to the City and any agent acting on its behalf.

I declare under penalty of perjury that the foregoing is true and correct.

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

Tenant
Residing in Apt. No. _____

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On the _____ day of _____, _____ personally
appeared before me _____, the signer of
the above certification, who duly acknowledged to me that he/she
executed the same.

(SEAL)

NOTARY PUBLIC

My Commission Expires:

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FOR COMPLETION BY DEVELOPER ONLY:

1. Calculation of eligible income:

- a. Total amount entered for entire household in 1 above: _____
- b. If the amount entered in 2.a above exceeds \$5,000, enter the greater of (i) the amount entered in 2.b less the amount entered in 2.c and (ii) the passbook savings rate as designated by HUD multiplied by the amount entered in 2.a: _____
- c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b): _____

2. The amount entered in 1.c is: (place "x" on appropriate line)

_____ Less than \$ _____ which is the maximum income at which a household of _____ persons may be determined to be a Lower-Income Family as that term is defined in the Regulatory Agreement dated as of _____, between the City of Chicago, Illinois and _____ (the "Regulatory Agreement").

_____ More than the above-mentioned amount.

3. Number of apartment unit assigned: _____
4. This apartment unit (was/was not) last occupied for a period of 31 consecutive days by a person or persons whose Total Eligible Income, as certified in the above manner, was equal to or less than the amount at which a person would have qualified as a Lower-Income Family under the terms of the Regulatory Agreement. It had been vacant for _____ days.
5. The number of units in the Project which are presently occupied is _____.
6. The number of units occupied by Lower-Income Families (i.e., occupants' anticipated income does not exceed \$ _____ based upon Income Computation Certifications on file, as adjusted for family and unit size) is _____. The number of units which were previously occupied by Lower-Income Families but have been vacated and have not been re-occupied (other than for a temporary period of no more than 31 days) is _____. The sum of the units described in this paragraph 6 is equal to _____% of the total number of occupied units from paragraph 5 above.

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7. The number of units occupied by persons whose total anticipated income does not exceed \$ _____ (as adjusted for family and unit size) is _____ which is equal to _____ % of the total number of occupied units.

Applicant:

_____ Qualifies as a Lower-Income Family.

_____ Does not qualify as a Lower-Income Family.

DEVELOPER

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EXHIBIT D

ANNUAL REPORT OF PROJECT RECEIVING LOW INCOME HOUSING TAX CREDITS FROM THE CITY OF CHICAGO DEPARTMENT OF HOUSING

Developer: _____

Project Name: _____

Project Number: _____

Federal Employer Identification Number: _____

The City of Chicago, Illinois, acting by and through its Department of Housing (the "City") allocated low income housing tax credits (the "Tax Credits") to the Developer. Pursuant to Section 42 of the Internal Revenue Code, the Developer is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the Internal Revenue Code and the agreements executed by the City and the Developer in connection with the allocation of the Tax Credits. The Developer further agreed, in the Regulatory Agreement dated as of _____, among the City, Cole Taylor Bank, not personally, but solely as Trustee under Trust Agreement dated October 30, 1990 and known as Trust No. 90-3016, and the Developer (the "Regulatory Agreement"), to maintain certain records and prepare and deliver certain reports to the City. The Developer must complete this Annual Report for all projects receiving Tax Credits (the "Annual Report") in fulfillment of its reporting and record-keeping requirements. This Annual Report must be completed in its entirety and must be executed, notarized and returned to the City by January 1 of each year. In addition, a copy of Schedule A must be completed for each building which comprises a part of the Project and for which a building identification number has been issued. This form is a required component of the Annual Report. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the meanings ascribed to them in the Regulatory Agreement.

INFORMATION

1. Please list the building identification numbers and address for each building included in the Project: (If there are additional buildings in the Project, please provide the requested information on a separate sheet and attach to this document.)

Building Identification Number

Building Address

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2. Complete Schedule A for each building included in the Project.
3. Has any change occurred, either directly or indirectly, (a) in the identity of the Developer, (b) in the identity of any general partner(s), if any, of the Developer, (c) in the ownership of any interests in any general partner of the Developer or in any shareholder, trustee or beneficiary of the Developer, or (d) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Developer since the date of the allocation of Tax Credits to the Developer or the most recent Annual Report?

Yes _____ No _____

If Yes, provide all the appropriate documents.

4. Have the Developer's organizational documents been amended or otherwise modified since they were submitted to the City?

Yes _____ No _____

If Yes, provide all amendments and modifications of the Developer's organizational documents.

5. The Developer hereby certifies to the City that (a) the Project is in full compliance with all currently applicable provisions of Section 42 of the Code and the applicable Treasury regulations; (b) the Project shall continue to comply with Section 42 of the Code during the compliance period as required by Section 42(1) of the Code; and (c) no change shall occur in the Developer or any general partner of the Developer without the prior written consent of the City, which consent shall not be required for a change in the status or composition of the Borrower's limited partner(s), and which consent shall not be unreasonably withheld with respect to a removal or replacement of the Borrower's general partner(s) if undertaken pursuant to the terms of the Borrower's Articles of Limited Partnership.

6. The Developer's Taxpayer Identification Number is _____.

7. Provide the City with the Developer's most recent audited financial statements.

8. Has the Developer been a recipient of a federal grant during this year, as defined in Section 42 of the Code which would cause a reduction in the eligible basis?

Yes _____ No _____

If Yes, provide the details.

REPRESENTATIONS AND WARRANTIES

The Developer hereby represents and warrants to the City that each of the following statements is true and accurate:

- A. Lower Income Families. _____ of the units of the Project are occupied or available for occupancy by Lower-Income Families, subject to Section 2.12 of the Regulatory Agreement.
- B. Fees. That any savings realized in a construction line item of the Project were either dedicated to the benefit of the Project through enhancement of the Project, or resulted in a decrease of the Project's eligible basis for purposes of calculating the Tax Credits for which the Project qualifies, and except as disclosed to and approved by the City, no amounts paid or payable to the Developer as developer fees exceeded the amount set forth in the Developer's original application for the Tax Credits and such fees will not be increased without the consent of the City.
- C. Compliance. The Project is in compliance with all of the currently applicable requirements of Section 42 of the Code, the applicable Treasury Regulations, the 1990 Low Income Housing Tax Credit Plan adopted by the City on June 21, 1990, as the same has been or may be amended (the "Plan"), the terms of the City's letter reserving Tax Credits for the Project (the "Reservation Letter") and the Regulatory Agreement. The Developer will take whatever action is required to ensure that the Project complies with all requirements imposed by Section 42 of the Code, the applicable Treasury Regulations, the Plan, the terms of the Reservation Letter and the Regulatory Agreement so long as required by Section 42 of the Code, applicable Treasury Regulations, the Plan and the Regulatory Agreement (the "Compliance Period").
- The Developer shall retain all tenant selection documents, which include but are not limited to: income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by the City or its representative. The City, at its option, can periodically inspect the Project, and all occupancy-related documents to determine continued compliance with Section 42 of the Code and applicable Treasury regulations.
- D. Nondiscriminatory Access. The Project is available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.
- E. Litigation. To the best of the Borrower's knowledge, no litigation or proceedings have been threatened or are pending which may affect the interest of the Developer in the Project or the ability of the Developer to perform its obligations.

- F. Contracts. The Developer has taken affirmative action to ensure that women- and minority-owned businesses have had the maximum opportunity to compete for and perform as contractors for supplies and/or services, and will continue to do so with future contracts and awards as provided in an ordinance adopted by the City Council of the City on November 28, 1990, which affirms the City's intent to award approximately 21.1% of project contracts to Minority Business Enterprises (MBE) and 5% to Women Business Enterprises (WBE).
- G. Marketing. All residential units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.
- H. Qualification. The Project constitutes a "qualified low-income building" or "qualified low-income project," as applicable, as defined in Section 42 of the Code and the regulations thereunder.
- I. Facilities. Each residential unit in the Project contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless, in which case such unit(s) shall comply with the applicable requirements of Section 42 of the Code) which are to be used on other than a transient basis. Each residential unit is and will remain suitable for occupancy.
- J. Maintenance. The Developer has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other than rental housing. The Developer has used its best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Regulatory Agreement.
- K. Records. The Developer is in possession of all records which it is required to maintain pursuant to the terms of Section 42 of the Code, applicable Treasury regulations thereunder, the Plan and the Regulatory Agreement as well as any additional records which the City has determined to be necessary to the compliance and administration of the Project.

The Developer has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Regulatory Agreement and in any event the requirements of the

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Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The representations and warranties of the Developer as set forth herein shall survive the allocation of the Tax Credits. The Developer shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by Section 42 of the Code, the applicable Treasury Regulations, the Plan and the City or the City's counsel.

If the Developer is unable to make any representation or warranty set forth above, the Developer must immediately contact the City and inform the City of the reason that the Developer is unable to make such representation or warranty.

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INDEMNIFICATION

The Developer hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgment, losses, liabilities, damages (including consequential damages), costs, and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Developer's responses or documents provided pursuant to the terms of this Annual Report, including breaches of the representations and warranties herein contained. The Developer acknowledges that this indemnification provision supplements the indemnification provisions in the Reservation Letter, the Release and Indemnification Agreement dated _____ between the City and _____ and the Regulatory Agreement and does not supersede such provisions.

Based on the understanding that the City may rely upon the truth and accuracy of this Annual Report and the statements made by the undersigned, the undersigned hereby certifies to the City that each response, representation, warranty and document delivered by the Developer in connection herewith is true and accurate and will continue to be true and accurate.

Developer

Date

Subscribed and sworn to before me this
_____ day of _____, _____.

Notary Public

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SCHEDULE A

Developer: _____

Mailing Address: _____

Date of Commitment Letter: _____

Project No.: _____

Building Identification Number: _____

Tax Credits Allocated to this Building:

Number of Residential Rental Units in this Building:

1 Br _____ 3 Br _____ 5 or more Br _____
2 Br _____ 4 Br _____

Total Square Feet of space contained in Residential Rental Units
in this Building:

Total Number of Residential Rental Units rented to Lower-Income
Families:

1 Br _____ 3 Br _____ 5 or more Br _____
2 Br _____ 4 Br _____

Total Eligible Basis of the Building:

Amount reduced due to receiving a federal grant:
(If applicable)

Total Eligible Basis of the Building:

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1. Has the rent in any Low-Income Unit in the building identified above increased since the filing of the previous Annual Report, or, if this Annual Report is the first Annual Report filed with respect to such building, has the rent been increased from the amounts projected during the construction period?

Yes _____ No _____

If Yes, please provide details.

2. Are there any services provided to the tenants by the Developer, directly or indirectly, which require payments by the tenants to the Developer in excess of the rental rate?

Yes _____ No _____

If Yes, please provide details.

3. How many Low-Income Units in the building are now occupied by tenants that did not occupy such units at the time of the last Annual Report filed for this building?

4. What steps did the Developer take to insure that the new tenants qualified as Lower-Income Families?

5. Have any Lower-Income Families been evicted since the time of the last Annual Report or if this report is the first Annual Report filed with respect to such building, since the initial rent-up of the building?

Yes _____ No _____

If Yes, please provide details.

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6. Has any legal or administrative action been instituted by any Lower-Income Family against the Developer?

Yes _____

No _____

If Yes, please provide details.

7. Provide the total amount expended by the Developer in connection with maintenance and repair of the building. Also provide details regarding any expenditures made by the Developer for the repair and maintenance of the building.

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