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[CDBG only]

This document prepared by
and when recorded return to:



Lynn C. Egan, Esq.
Office of Corporation Counsel
Room 511
121 North LaSalle Street
Chicago, Illinois 60602

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT entered into and effective this 13th day of September, 1994 (this "Regulatory Agreement"), between 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, and Cornerstone Community Outreach, an Illinois not-for-profit corporation, (the "Borrower"), having its offices at 939 West Wilson, Chicago, Illinois 60640.

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N I T Y E S S E T H: 87583 J.J. 94-803308

COOK COUNTY RECORDER

WHEREAS, DOH is an executive department of the City established pursuant to Title 2 of the Municipal Code of Chicago, 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, the City has received an allocation of Community Development Block Grant funds under Title I of the Housing and Community Development Act of 1974, 42 U.S.C. §5301 et seq., as from time to time amended, supplemented and restated, which created the Community Development Block Grant ("CDBG") program; and

WHEREAS, the City has programmed \$7,060,000 of CDBG funds for its Multi-Family Loan Program in Program Year XIX ("Multi-Family Program"), wherein acquisition and rehabilitation loans are made available to owners of rental properties containing five or more dwelling units located in low-and moderate-income areas; and

WHEREAS, the City intends to loan \$809,565.00 of Multi-Family Program funds (hereinafter referred to as the "Loan") to the Borrower for the purposes set forth below, and has requested that DOH administer the Loan; and

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WHEREAS, the Borrower will utilize the Loan proceeds to rehabilitate the building located at 4626 North Clifton Avenue, Chicago, Illinois 60640 in accordance with the Plans and Specifications referenced in the hereafter described Loan Agreement (the "Project"), all of which shall be utilized as a 55-bed, dormitory-style transitional shelter for homeless women and children (the "Homeless Shelter"); and

WHEREAS, as a specific condition precedent to the Borrower receiving the Loan, the Borrower has 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 Borrower 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 Owner's Certification" shall mean the report from the Borrower in substantially the form set forth in Schedule I attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Borrower" shall mean, initially, Cornerstone Community Outreach, an Illinois not-for-profit corporation, 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.

"Business Day" shall mean a day on which banks in the City of Chicago, Illinois are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State or any ordinance or resolution of the City of Chicago, Illinois.

"CDBG" shall mean the Community Development Block Grant program created under the CDBG Act.

"CDBG Act" shall mean the Housing and Community Development Act of 1974, 42 U.S.C. §5301 et seq.

"CDBG Funds" shall mean Community Development Block Grant funds awarded by HUD under the CDBG Act.

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

"Davis-Bacon Act" shall mean 40 U.S.C. Section 276a-5.

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

"First Reporting Date" shall mean the first January 1 following completion of rehabilitation of the Project.

"Foreclosure Date" shall mean the date of a Transfer.

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

"Last Reporting Date" shall mean the first January 1 following the end of the Project Term.

"Loan" shall mean a loan by the City to the Borrower in the principal amount of \$809,565.00 for financing a portion of the costs of the Project.

"Loan Agreement" shall mean the Housing Loan Agreement, of even date herewith, between the City and the Borrower with respect to the Loan, as hereafter amended, supplemented and restated from time to time.

"Loan Documents" shall have the meaning given to such term in the Loan Agreement.

"Mortgage" shall mean that certain Junior Mortgage and Security Agreement of even date herewith from the Borrower to the City, as hereafter supplemented, amended and restated from time to time.

"Multi-Family Program" shall mean the Multi-Family Loan Program of DOH.

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

"Project" shall mean the homeless shelter 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 Project must comply with this Regulatory Agreement. The Project Term shall begin on the date hereof and shall continue, except as provided in Section 2.5 hereof, through and including the Termination Date, and shall end on the Termination Date.

"Regulatory Agreement" shall mean this Regulatory Agreement, as supplemented, amended and restated from time to time.

"Repayment Date" shall mean the date as of which the principal of and interest on the Loan and all other amounts due and payable to the City under the Loan Documents shall have been

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paid in full (or deemed by the City in its sole discretion to have been fully satisfied and discharged and paid in full).

"Senior Lender" shall mean National Covenant Properties, located at 5101 Francisco, Chicago, Illinois 60625, and its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the original principal amount of \$450,000.00 (with a balance, as of the date hereof, of \$441,307.88) for financing a portion of the costs of the Project.

"Senior Mortgage" shall mean that certain Mortgage dated as of November 21, 1989 and recorded with the Cook County Recorder's Office as Document No. 89556313, granted by the Borrower to the Senior Lender and securing repayment of the Senior Loan.

"State" shall mean the State of Illinois.

"Termination Date" shall mean the earlier of (a) a Foreclosure Date or (b) the Repayment Date.

"Transfer" shall mean the transfer of the Project (a) by foreclosure of the Senior Mortgage (or, if the City so elects, of the Mortgage), or (b) by an instrument in lieu of foreclosure of the Senior Mortgage (or, if the City so elects, of the Mortgage).

Capitalized terms used herein and not otherwise defined herein shall have the same meanings given such terms in the Loan Agreement.

SECTION 2 BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

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

2.1 The Project shall be constructed and rehabilitated for the purpose of providing a 55-bed, dormitory-style transitional shelter for homeless women and children (herein, a "Homeless Shelter"), and the Borrower shall own, manage and operate the Project as such a Homeless Shelter, including facilities functionally related and incidental thereto. All residents, at the time of occupancy of the Homeless Shelter, will be homeless persons.

2.2 The Borrower shall not convert any portion of the Project to condominium ownership or to any form of cooperative ownership that is not eligible to receive CDBG Funds from HUD.

2.3 After completion of the rehabilitation of the Project, the Project shall be and shall remain suitable for occupancy as a Homeless Shelter.

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2.4 The Borrower shall permit and shall cause any management agent for the Project to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City or HUD to inspect any books and records of the Borrower or such agent regarding the Project which pertain to compliance with the provisions of this Regulatory Agreement or the CDBG Act or regulations thereunder. The Borrower shall permit, and shall cause any management agent for the Project to permit, the City, HUD and/or their agents to inspect the Project at all reasonable times and access thereto shall be permitted for that purpose.

2.5 The Borrower agrees that it will take any and all actions required by the City to substantiate the Borrower's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City an Annual Owner's Certification executed by the Borrower, commencing on the First Reporting Date and on each January 1 thereafter through and including the Last Reporting Date. This covenant shall survive beyond the Termination Date.

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

2.7 No Person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination in connection with the Project.

2.8 During the Project Term, the Project shall comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701a) that: (a) to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of the Project be given to low-income individuals residing within the City, and (b) to the greatest extent feasible, contracts for work to be performed in connection with the Project be awarded to business concerns, including, but not limited to, individuals or firms doing business in the fields of planning, consulting, design, architecture, building construction, rehabilitation, maintenance or repair, which are located in or owned in substantial part by individuals residing in the City.

2.9 The Project shall constitute HUD-associated housing for purposes of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Section 4821 et seq.), and comply with the requirements thereof and of 24 C.F.R. Section 570.608, including, without limitation, prohibition of the use of lead-based paint and for the elimination of the hazards of lead-based paint. Any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

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2.10 Any contracts for the rehabilitation of the Project shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, will be paid to all laborers and mechanics employed in the rehabilitation of the Project. All such contracts shall also be subject to the Contract Work Hours and Safety Standards Act, 40 U.S.C. Sections 327-332, the regulations promulgated in connection therewith and with the Davis-Bacon Act, and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Notwithstanding the foregoing, the requirement of this Section with respect to the payment of prevailing wages shall not apply to volunteers in accordance with 24 C.F.R. Part 70.

2.11 The Borrower shall obtain and maintain flood insurance for the Project if the Project is located in an area which is identified by the Federal Emergency Management Agency as having special flood hazards.

2.12 The Borrower is not a primarily religious organization and the Project will be used solely for secular purposes.

2.13 The Borrower has not and shall not 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.

2.14 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained in (i) the Borrower's application for the Loan, and (ii) any other document submitted by the Borrower to the City in connection with the Project remain true and in effect as of the date hereof.

2.15 The Borrower shall take all reasonable steps to minimize the displacement of families, individuals, businesses, not-for-profit organizations and firms (herein for the purposes of this paragraph collectively called "People") as a result of the Project. If displacement of People does occur as a result of the Project, the Borrower shall comply with the requirements of 24 C.F.R. Section 570.606, with respect to, among other things, temporary and permanent relocation of displaced People. The Borrower shall provide or cause all "displaced persons" (as defined in 24 C.F.R. Section 570.606) to be provided with relocation assistance as required under said Section 570.606.

2.16 The acquisition of the real property on which the Project is located is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 et seq., and the requirements of 49 C.F.R. Part 24, Subpart B.

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2.17 No individual who is an employee, agent, consultant, officer or elected or appointed official of the City (and no individual who was an employee, agent, consultant, officer or elected or appointed official within one year prior to the date hereof) and who exercises or has exercised any functions or responsibilities with respect to activities assisted with CDBG Funds or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activities, has obtained, is obtaining or will obtain a financial interest or benefit from the Project, or has or will have any interest in any contract, subcontract or agreement with respect to the Project, or the proceeds thereunder, either for himself or for those with whom he has family or business ties.

SECTION 3. RELIANCE.

The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein made by the City and the Borrower, respectively, may be relied upon by the Borrower and the City, respectively. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and upon audits of the books and records of the Borrower. 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.

SECTION 4. SALE OR TRANSFER OF THE PROJECT.

The Borrower hereby covenants and agrees 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), or to violate any provision of the Mortgage relating to prohibitions on sales or transfers of the Project or any interest therein (whether or not the Mortgage remains of record), at any time during the Project Term, except as expressly permitted by the City. The Borrower hereby agrees and covenants 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 Borrower or any successor or assignee of the Borrower last permitted by the City, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

SECTION 5 TERM.

This Regulatory Agreement shall become effective upon its execution and delivery. Subject to Section 2.5 hereof, this Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and

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understood that the provisions hereof are intended to survive throughout the Project Term.

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 Borrower of its obligations hereunder, or may declare an event of default under the Loan Documents and exercise its rights thereunder, including, without limitation, foreclosure under the Mortgage. 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 Borrower.

6.3 The Borrower further specifically acknowledges that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach or violation of any of the foregoing representations or covenants.

SECTION 7 RECORDING AND FILING.

The Borrower 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 Borrower shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Borrower shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record.

SECTION 8 COVENANTS TO RUN WITH THE LAND.

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower 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

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the extent permitted by law, and shall pass to and be binding upon the Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants 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 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 the CDBG Act, the CDBG Act 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 Borrower hereby expressly agrees to enter into all amendments hereto which, in the opinion of the City, are reasonably necessary or desirable for maintaining compliance under the CDBG Act.

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 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

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WITH COPIES TO:

Department of Finance
City of Chicago
121 North LaSalle Street, Room 501
Chicago, Illinois 60602
Attention: Comptroller

and

Office of the Corporation Counsel
City Hall, Room 511
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO BORROWER:

Cornerstone Community Outreach
939 West Wilson
Chicago, Illinois 60640
Attention: Dennis Bragg

WITH COPIES TO:

Thomas L. Cameron, Esq.
939 West Wilson
Chicago, Illinois 60640

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 Business Day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days 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 EFFECTIVE DATE.

This Regulatory Agreement shall be deemed to be in effect as of the date first set forth above.

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SECTION 15 RIGHT TO INSPECT.

The Borrower agrees that the City shall have the right to perform an on-site inspection of the Project and to review the records maintained by the Borrower or its agent as described in Section 2.4 hereof, upon 30 days' prior notice by the City to the Borrower, at least annually during each year of the Project Term.

SECTION 16 NO THIRD PARTY BENEFITS.

This Regulatory Agreement is made for the sole benefit of the City and the Borrower and their respective successors and assigns and, except as otherwise expressly provided herein, no other party shall have any legal interest of any kind hereunder or by reason of this Regulatory Agreement. Whether or not the City elects to employ any or all of the rights, powers or remedies available to it hereunder, the City shall have no obligation or liability of any kind to any third party by reason of this Regulatory Agreement or any of the City's actions or omissions pursuant hereto or otherwise in connection herewith.

SECTION 17 REFERENCES TO STATUTES, ETC.

All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices or circulars issued by any governmental body shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices and circulars.

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IN WITNESS WHEREOF, the City and the Borrower 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: _____
Commissioner

CORNERSTONE COMMUNITY OUTREACH, an Illinois not-for-profit corporation

By: Thomas J. [Signature]
Its: President

ATTEST:

By: [Signature]
Its: Secretary

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the City and the Borrower 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: *Angela Malinski*
Commissioner

CORNERSTONE COMMUNITY OUTREACH, an Illinois not-for-profit corporation

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

Property of Cook County Clerk's Office

94-03305

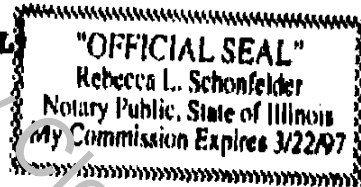
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Tam Cameron and Dennis Cadieny, personally known to me to be the President and Secretary, respectively, of Cornerstone Community Outreach, an Illinois not-for-profit corporation (the "Borrower"), 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 Borrower, and as their respective free and voluntary acts and deeds and as the free and voluntary act and deed of the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 13th day of September, 2004.

Rebecca L. Schonfelder
Notary Public



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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 George Delundo 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 Deputy Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her 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 13th day of September, 1994.

Clarice Hall
Notary Public

(SEAL)



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EXHIBIT A

LEGAL DESCRIPTION:

Lots 4, 5 and 6 in the subdivision of Lots 253 to 262, inclusive, in William Deering Surrenden's Subdivision in the West 1/2 of the North East 1/4 of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

ADDRESS COMMONLY KNOWN AS:

4626 North Clifton Avenue, Chicago, Illinois 60640

PERMANENT INDEX NO.:

14-17-207-011

Property of Cook County Clerk's Office

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SCHEDULE I

ANNUAL OWNER'S CERTIFICATION FOR PROJECT RECEIVING CDBG FUNDS FROM THE CITY OF CHICAGO, DEPARTMENT OF HOUSING

Borrower: _____

Project Name: _____

Project Number: _____

Borrower Federal Employer Identification Number: _____

The City of Chicago, Illinois, acting by and through its Department of Housing (the "City"), has entered into a Housing Loan Agreement dated _____ with the Borrower pursuant to which the City has loaned CDBG funds to the Borrower for the Project. The Borrower is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the CDBG regulations and the agreements executed by the City and the Borrower in connection with the Project. The Borrower further agreed, in the Regulatory Agreement dated as of _____, between the City and the Borrower (the "Regulatory Agreement"), to maintain certain records and prepare and deliver certain reports to the City. This Annual Owner's Certification must be completed in its entirety and must be executed by the Borrower, notarized and returned to the City by January 1 of each year for the period commencing on the first January 1 following completion of rehabilitation of the Project, and ending on the first January 1 following the Termination Date. 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.

A. INFORMATION

1. Please list the 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 Address

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2. Has any change occurred, either directly or indirectly, (a) in the identity of the Borrower, (b) in the identity of any general partner(s), if any, of the Borrower, (c) in the ownership of any interests in any general partner of the Borrower or in any shareholder, trustee or beneficiary of the Borrower, 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 Borrower since the date of the Regulatory Agreement or the most recent Annual Owner's Certification?

Yes _____ No _____

If Yes, provide all the appropriate documents.

3. Have the Borrower'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 Borrower's organizational documents.

4. Provide the City with independently audited financial statements for the Project for the most recent fiscal year, including an income and expense statement, a balance sheet listing assets and liabilities, a detailed schedule of operating, maintenance and administrative expenses and a cash flow statement.

5. (a) The Borrower hereby certifies to the City that no change shall occur in the Borrower or the general partner of the Borrower without the prior written consent of the City.
- (b) Provide the City with evidence of compliance with Section 2.9 of the Regulatory Agreement since the later of the execution of the Regulatory Agreement or the last Annual Owner's Certification.
- (c) Provide to the City payroll records of the General Contractor indicating compliance with Section 2.10 of the Regulatory Agreement.

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B. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Borrower hereby represents and warrants to the City that each of the following statements is true and accurate and covenants as follows:

1. The Borrower is [check as applicable]:
 - (a) an individual.
 - (b) a group of individuals.
 - (c) a corporation incorporated and in good standing in the State of _____.
 - (d) a general partnership organized under the laws of the State of _____.
 - (e) a limited partnership organized under the laws of the State of _____.
 - (f) other [please describe]: _____

2. The Borrower is (check as applicable) (a) _____ the owner of fee simple title to, or (b) _____ the owner of 100% of the beneficial interest in, the hereinafter described Project.

3. The Project consists of _____ building(s) consisting of a Homeless Shelter.

4. The Project is in compliance with all of the currently applicable requirements of the CDBG Act, the CDBG regulations and the Regulatory Agreement. The Borrower will take whatever action is required to ensure that the Project complies with all requirements imposed by the CDBG Act, the CDBG regulations and the Regulatory Agreement during the periods required thereby.

The City, at its option, can periodically inspect the Project, and all books and records of Borrower to determine continued compliance of the Project with all applicable requirements.

5. No litigation or proceedings have been threatened in writing or are pending which may affect the interest of the Borrower in the Project or the ability of the Borrower to perform its obligations with respect thereto.

6. The Borrower 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 Sections 2-92-420 through 2-92-570, inclusive, of the Municipal Code of Chicago, as from time to time supplemented, amended and restated.

7. Other than in connection with the construction or rehabilitation of the Project, the Borrower has not demolished

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any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any portion of the Project for any purpose other than a Homeless Shelter. The Borrower 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.

8. The Borrower is in possession of all records which it is required to maintain pursuant to the terms of the CDBG Act, the CDBG regulations 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.

9. The Borrower 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 Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The Borrower shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by the CDBG Act, the CDBG regulations, the Regulatory Agreement, and the City or the City's counsel.

If the Borrower is unable to make any representation or warranty set forth above, the Borrower must immediately contact the City and inform the City of the reason that the Borrower is unable to make such representation or warranty; provided, however, that the foregoing shall not be deemed to negate any notice and/or cure periods available to the Borrower under the Loan Documents (as defined in the Regulatory Agreement).

Under penalties of perjury, the Borrower declares that, to the best of its knowledge and belief, each response, representation, warranty and document delivered by the Borrower in connection herewith is true, correct and complete and will continue to be true, correct and complete.

C. INDEMNIFICATION

The Borrower hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, 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 Borrower's responses or documents provided

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pursuant to the terms of this Annual Owner's Certification, including breaches of the representations and warranties herein contained.

IN WITNESS WHEREOF, the Borrower has executed this Annual Owner's Certification this _____ day of _____, _____

BORROWER:

By: _____
Its: _____

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

Notary Public

(SEAL)

Property of Cook County Clerk's Office

20140304