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Cook County Recorder 51.50



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This instrument prepared by  
and when recorded return to:

Randall Johnson  
Assistant Corporation Counsel  
City of Chicago  
Department of Law  
121 North LaSalle Street  
Room 600  
Chicago, Illinois 60602



S:\FINANCE\Randall Johnson\Gadshill\Interfunder Agreement7.wpd

CC 200862 2 of 3  
CC 200654

**INTERFUNDER AGREEMENT**

**THIS INTERFUNDER AGREEMENT** (this "Agreement"), dated as of June 29, 2001 is made by and among the following parties: the City of Chicago, Illinois (the "City"), an Illinois municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois, by and through its Department of Human Services ("CDHS"), the Illinois Facilities Fund, an Illinois not-for-profit corporation ("IFF"), and Gads Hill Center, an Illinois not-for-profit corporation ("Gads Hill").

**WITNESSETH:**

**WHEREAS**, Sinai Community Institute, Inc., an Illinois not-for-profit corporation ("Landlord"), owns and operates a building located at 2653 West Ogden Avenue, Chicago, Illinois (the "Real Estate"), and more fully described in Exhibit A hereto;

**WHEREAS**, Landlord has leased to Gads Hill as tenant approximately 12,834 square feet of space situated on the northern half of the second floor the Real Estate (the "Premises") by that certain lease agreement dated as of October 1, 2000 between Landlord and Gads Hill and amended by that certain Lease Agreement Rider between Landlord and Gads Hill dated as of 6/29/01, 2001 and recorded in the office of the Cook County Recorder of Deeds on 6/29/01, 2001 as Document No. \_\_\_\_\_ (the "Lease") for a term beginning on

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October 1, 2000 and ending on September 30, 2020 with an option to renew the Lease for two consecutive five-year terms (the "Lease Term")

**WHEREAS**, the City is providing to Gads Hill Federal Head Start funds in the maximum aggregate amount of \$770,347 (the "Grant") to assist in the renovation of the Premises for use as a Head Start center (the "Project") pursuant to that certain Head Start Grant Agreement dated as of the date hereof, between the City of Chicago, as grantor, and Gads Hill, as Grantee/Delegate in the Head Start Program ("Head Start"), see 42 U.S.C. §§ 9831 et seq.; 45 C.F.R. Parts 1301 et seq. (the "Grant Agreement");

**WHEREAS**, the Project is further funded by a loan from IFF to Gads Hill in the principal amount of \$500,000 (the "Loan"), evidenced by a Promissory Note from Gads Hill to IFF dated as of the date hereof (the "Note") and secured by a Mortgage dated as of the date hereof from Gads Hill as mortgagor in favor of IFF on the real estate described in Exhibit B hereto (the "Property") and recorded in the office of the Cook County Recorder of Deeds on \_\_\_\_\_, 2001 as Document No. ~~0010578165~~ (the "Mortgage");

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**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Parties hereto hereby agree as follows:

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1. Definitions. Under this Agreement, the following terms are defined as follows:
  - (a) ACF means the Administration for Children and Families of the United States Department of Health and Human Services
  - (b) Federal Share has the same meaning as it is defined in 45 C.F.R. § 74.2.
  - (c) Grantee means Gads Hill and/or an Interim Grantee and/or a Replacement Grantee and their heirs, assignees, and successors under this Agreement and the Loan Documents.
  - (d) Interim Grantee has the same meaning as it is defined in 45 C.F.R. § 1303.2.
  - (e) Lender means IFF and its assignees and successors under this Agreement and the Loan Documents.
  - (f) Loan Documents means collectively the Note and the Mortgage.
  - (g) Parties means the City, the Lender, Gads Hill and their respective successors and assigns under this Agreement and the Loan Documents
  - (h) Replacement Grantee means an entity designated by the City to serve as the Head Start grantee subsequent to the end of the role of Gads Hill in that function.

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2. Federal Interest. In accordance with the terms of the Grant Agreement, the Head Start Act, 42 U.S.C. § 9831 et seq., 45 C.F.R. Parts 74, 92 and 1309, and relevant decisions of the United States courts, the United States of America will have a Federal beneficial ownership interest (the "Federal Interest") in the leasehold estate created pursuant to the Lease beginning on October 1, 2000, and ending on the later of September 30, 2020 or the expiration of any renewal terms of the Lease, together with all other property built or installed by Grantee (i) on the Premises as part of the Project (collectively the "Leasehold Estate"), or (ii) used by Grantee under the Lease in the Premises, including but not limited to, all alterations, renovations, improvements, additions and installations funded by Federal Head Start grant funds awarded by ACF to renovate the Premises or the Real Estate and to make principal and interest payments on the Loan.

The Federal Interest arises because Grantee shall receive and use Federal Head Start grant funds awarded by ACF to renovate the Premises for use as a Head Start Center and to make principal and interest payments on the Loan.

The Federal Interest will be evidenced by a Notice of Federal Interest recorded by the City in the appropriate official land records of the Office of the Cook County Recorder of Deeds, Illinois, as soon as practicable after the Grant Documents have been executed by Grantee and the City.

Lender holds no ownership or security interest in the Leasehold Estate or in any of the equipment purchased using Head Start funds and used at the Leasehold Estate.

3. The City's Rights in Event of Grantee's Default. If an event of default occurs under any of the Loan Documents, the Parties agree that the City may, at its sole option, intervene to ensure that the default is cured by the Grantee or another agency designated by the City, provided Grantee or such other agency assumes Grantee's obligations under the Loan Documents in accordance with the terms of Section 4 hereof, and that the Lender shall accept the payment of money or performance of any other obligation by the City or by the City's designee, for the Grantee, as if such payment of money or performance had been made by the Grantee. Unless otherwise specified in Section 7 hereof, the City shall have sixty (60) days from the date of receipt of notice of default that has been served in full compliance with Sections 10 through 13 hereof in which to intervene to attempt to cure the default.

4. The City's Right to Substitute Another Entity Under this Agreement. Notwithstanding any other provision of this Agreement or the Loan Documents, the Parties recognize and hereby consent that, in the event of a default under the Loan Documents, the Lease or the Grant Agreement, or the withdrawal or termination of the Grantee, the Loan and the Note may be assumed by an agency designated by the City. The Lender will have the right to approve the agency designated to assume the Loan and the Note, but such approval may be withheld for good cause and will not be unreasonably delayed. Without precluding other good cause reasons for withholding consent, it shall constitute good cause for Lender to withhold consent if:

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- (a) the Interim Grantee or the Replacement Grantee does not qualify as a not-for-profit childcare provider;
- (b) the Interim Grantee or the Replacement Grantee is unable to provide a comparable security interest when assuming obligations under the Note and the Loan; or
- (c) the Interim Grantee or the Replacement Grantee does not satisfy Lender's then current underwriting criteria.

If Lender withholds consent to the assumption by the Interim Grantee or the Replacement Grantee, and the City, at its sole option, authorizes the assumption of the Lease and the Grant Agreement by the designated Interim Grantee and/or Replacement Grantee, Lender hereby agrees not to pursue any remedies or actions which may claim a lien or security interest on (i) the Leasehold Estate or (ii) in any equipment or fixtures purchased with Head Start funds and used at the Premises.

5. The Grantee Shall Cooperate With Substitution. The Grantee covenants and agrees that, in the event the City designates an Interim Grantee, a Replacement Grantee, or another entity to assume the Grantee's rights, obligations and liabilities under the Loan Documents and/or the Lease, the Grantee will relinquish to such Interim Grantee, Replacement Grantee or other entity possession and all property interests that the Grantee might have in the Leasehold Estate, subject to any compensation that the Grantee may be entitled to receive as provided in 45 C.F.R. § 74.32(c)(3), and succeeding laws and regulations.

6. Substitution by the City Shall be Waived and not be Declared an Event of Default. Notwithstanding any other provisions of this Agreement, or of any of the Loan Documents, the Parties agree to waive such event of default under the Loan Documents that triggered such substitution of grantees by the City, and that the Lender shall not declare such substitution an event of default under this Agreement or under any of the Loan Documents provided that the terms of Section 4 hereof have been satisfied. The Parties further expressly covenant and agree that any such substitution by the City shall not trigger any acceleration clause or other remedy under this Agreement or under any of the Loan Documents.

7. Special Period for Curing Certain Non-Monetary Defaults. With respect to non-monetary defaults that cannot with due diligence be cured within sixty (60) days from the date of receipt of notice of default under the Loan Documents that has been served in full compliance with Sections 10 through 13 hereof, if the City promptly commences to cure the default within the sixty (60) day period and thereafter continues to attempt to cure it with due diligence, then the City shall have the right to such additional time as may be reasonably necessary to finish curing the default, provided that the City gives Lender written notice prior to the expiration of sixty-day cure period of its continued intention to cure the default. Provided, however, that in no event shall the City have more than one hundred and fifty (150) days from the date of receipt of notice of default to substantially cure non monetary defaults.

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8. Delay of Exercise of Remedies Pending Cure. In the event of a default under this Agreement or under any of the Loan Documents, notwithstanding any other provision of this Agreement or the Loan Documents, the Lender agrees that it shall not commence foreclosure or any other remedies that affect title, ownership or possession of the Property until after: (i) the City has been properly served, in full compliance with Sections 10 through 13 hereof, with notice of default and intent to exercise remedies; and (ii) one of the following events has occurred:

- (a) the responsible City official informs the Lender in writing that the City has decided not to cure the default; or
- (b) the City fails to timely cure the default within the period of time set forth in Sections 3 and 7 hereof;

9. Payment of Federal Share. In the event that a default under the Lease is not cured and/or eviction takes place, Grantee covenants and agrees that, after Landlord has satisfied its claims pursuant to the Lease, the City shall be paid that percentage of proceeds, if any, from refunded rent deposits or settlements to which Grantee is entitled, attributable to the Federal Share.

10. Grantee's Promise to Notify the City and ACF. The Grantee covenants and agrees to provide the City and ACF with notice:

- (a) of any default by the Grantee under the Loan Documents, on the date of the discovery of such default; and
- (b) that the Lender has notified the Grantee of its intent to exercise the remedy of foreclosure and/or other remedies, on the day that the Grantee receives such notice from the Lender.

11. Lender's Promise to Notify the City and ACF. The Lender covenants and agrees to provide the City and ACF with notice:

- (a) of any default by the Grantee under the Loan Documents, as soon as practicable after the day that the Lender first knows of such default, and
- (b) that the Lender intends to exercise its remedy of foreclosure and/or other remedies, on the day that the Lender notifies the Grantee that it intends to exercise such remedy or remedies, or, if the Lender does not notify the Grantee, on the day that the Lender decides to exercise such remedy or remedies.

12. Addresses for Notification. Whenever notice is required under this Agreement, the Parties covenant and agree to provide both telephonic and written notification (by registered mail, return receipt requested) to the following respective addresses.

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If to ACF: Director  
Office of Family and Child Development  
Administration for Children and Families  
233 N. Michigan Ave., 4<sup>th</sup> Floor  
Chicago, IL 60601  
(312) 353-8462

and to: Associate Commissioner  
The Office of the Commissioner  
Administration for Children and Families  
Department of Health and Human Services  
P.O. Box 1182  
Washington, DC 20013  
(202) 205-8572

and to: Office of the General Counsel  
Department of Health and Human Services  
722A Humphrey Building  
220 Independence Avenue, S.W.  
Washington, DC 20201  
(202) 690-7741

If to the City: City of Chicago  
Department of Human Services  
Attn: Commissioner  
1615 West Chicago Avenue  
Chicago, Illinois 60622  
(312) 746-8545

and to: City of Chicago  
Corporation Counsel  
Attn: Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602  
(312) 744-0200

If to Lender: Illinois Facilities Fund  
Attn: President  
300 W. Adams Street, Suite 431  
Chicago, Illinois 60606  
(312) 629-0060

and to: Sidley and Austin

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Attn: Samuel P. Gussis  
Bank One Plaza  
10 South Dearborn St.  
Chicago, IL 60603  
(312) 853-7909

If to Grantee

Gads Hill Center  
Attn: Executive Director  
1919 West Cullerton Street  
Chicago, Illinois 60608.  
(312) 226-0963

Mayer Brown & Platt  
Attn: Todd Miller  
190 South LaSalle Street  
Chicago, Illinois 60603  
(312) 701-8960

In addition, if one or more of the ACF or City offices listed above has a change of name, address and/or telephone number, the Grantee and the Lender further covenant and agree to take all reasonable action necessary to notify the appropriate offices.

13. Contents of Notification to ACF and the City. The Lender and the Grantee covenant and agree to include the following information in the written notice to ACF and the City whenever such notice is required under this Agreement:

- (a) the full names, addresses, and telephone numbers of the Lender and the Grantee;
- (b) the following statement, prominently displayed at the top of the first page of the notice:

**The Federal Interest in certain real property or equipment used for the Head Start Program may be at risk. Immediately give this notice to the appropriate government official.**

- (c) the date and nature of the default and the manner in which the default may be cured and/or an explanation of other circumstances which required the notice;
- (d) in the event that the Lender will be exercising the remedy of foreclosure and/or other remedies, the date or expected date of the foreclosure and/or exercise of other remedies.

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14. Grantee's Promise to Notify Lender of Changes in ACF's Addresses. The Grantee covenants and agrees to give the Lender written and telephonic notice of any change of name, address and/or telephone number of an ACF or Office of General Counsel ("OGC") office listed in Section 12 hereof as soon as Grantee receives notice or has knowledge of such change. If one or more of the ACF and OGC offices listed in Section 12 hereof stops operating, the Grantee covenants and agrees to give the Lender written and telephonic notice of the name, address, and telephone number of the succeeding Federal office(s) to which notice must be given no later than two (2) days after Grantee receives notice or has knowledge of such change.

15. Notice by the City to Lender. The City covenants and agrees to provide Lender with notice of any default by Grantee under the Grant Agreement at the time notice is given to Grantee.

16. Meeting between the City and Lender. The parties hereto agree that as soon as practicable after receipt of a notice of default, authorized representatives of Lender and the City will use best efforts to meet by telephone or in person to discuss their respective intentions with regard to the Grantee's default. ACF shall be given reasonable notice by the City of any such meeting and an opportunity to attend.

17. Duration of Agreement. The Agreement contained herein shall continue in force and effect until Borrower's Loan is paid and satisfied in full and all financing arrangements between Lender and Borrower have been terminated or until the end of the period governed by the Grant Agreement. The expiration of this Agreement does not affect the Federal Share or the Federal Interest.

18. Recording this Agreement. The Parties covenant and agree that they shall have this Agreement recorded in the appropriate official land records of the Office of the Cook County Recorder of Deeds, Illinois, as soon as practicable after (i) the Loan Documents have been executed by the Grantee and the Lender, and (ii) the Grant Documents have been executed by Grantee and the City.

19. Binding on Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the parties hereto but does not otherwise create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

20. Integration and Modification. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought. No provision hereof shall be modified or limited by course of conduct or usage of trade except by a written agreement executed pursuant hereto. In the event of a conflict between this Agreement and the Loan Documents, which shall incorporate this Agreement by reference, the terms of this Agreement shall govern.

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21. Exhibits. Exhibits A and B to this Agreement will be construed to be an integral part of this Agreement to the same extent as if set forth verbatim herein.

22. Severability. In the event that any of the covenants, agreements, terms or provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms and provisions contained herein shall not be in any way affected, prejudiced or disturbed thereby.

23. Counterparts. This Agreement and all acknowledgments and consents hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

24. Due Authorization. The persons executing this Agreement on behalf of a party hereto represent and warrant to the other party that he or she has been duly authorized by such party to so execute this Agreement.

25. Governing Law. Federal law governs all issues relating to the rights of the City under this Agreement, the Federal Interest and/or the Federal Share. Any suit brought relating to the rights of the City, the Federal Interest and/or the Federal Share shall be brought in the United States District Court for the Northern District of Illinois.

26. Headings. The titles of the Sections of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify or aid in the interpretation of the provisions of this Agreement.

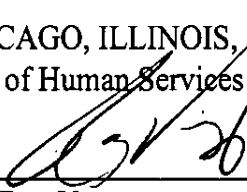
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement pursuant to authority duly given, as of the date first above written.


CITY OF CHICAGO, ILLINOIS, acting by and through  
its Department of Human Services

By:   
Ray Vazquez  
Commissioner

ILLINOIS FACILITIES FUND, an Illinois not-for-profit  
corporation

By: \_\_\_\_\_  
Trinita Logue  
President

GADS HILL CENTER, an Illinois not-for-profit  
corporation

By:   
Name: Barbara Castellani  
Title: Executive Director

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement pursuant to authority duly given, as of the date first above written.

CITY OF CHICAGO, ILLINOIS, acting by and through  
its Department of Human Services

By: \_\_\_\_\_  
Ray Vazquez  
Commissioner

ILLINOIS FACILITIES FUND, an Illinois not-for-profit  
corporation

By:  \_\_\_\_\_  
Trinita Logue  
President

GADS HILL CENTER, an Illinois not-for-profit  
corporation

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

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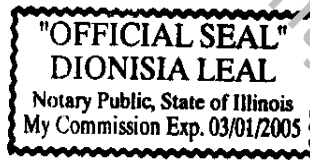
STATE OF ILLINOIS     )  
  ) SS.  
COUNTY OF COOK     )

I, Dionisia Leal, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ray Vazquez, personally known to me to be the Commissioner of the Department of Human Services of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 24th day of June, 2001 in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Dionisia Leal  
Notary Public

My commission expires 03/01/2005

(SEAL)



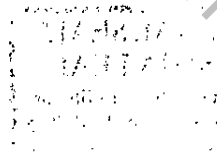
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STATE OF ILLINOIS     )  
  ) SS.  
COUNTY OF COOK     )

I, Suzanne E. Maciejewski, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Barbara Castellia, personally known to me to be the Executive Director of Gads Hill Center, an Illinois not for profit corporation, 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 Executive Director she/he signed and delivered the said instrument as such Executive Director, as her/his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 29 day of June, 2001.

Suzanne E. Maciejewski  
Notary Public

My commission expires \_\_\_\_\_

(SEAL)



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OFFICIAL SEAL  
SUSANNE E. MACIELSKI  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 03/31/2025

# UNOFFICIAL COPY

STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK )

I, Jennifer A. Williams a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Trinita Logue, personally known to me to be the President of Illinois Facilities Fund, an Illinois not-for-profit corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President, she signed and delivered the said instrument as such President, as her free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 28 day of June, 2001.

Jennifer A. Williams  
Notary Public



My commission expires 2/25/03

(SEAL)

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## EXHIBIT A

### Legal Description of the Premises

#### Legal Description:

Lots 9 and 10 in block 5 in Cook and Anderson's Subdivision of the West ½ of the Northeast 1/4 of Section 24, Township 39 North, Range 13 East of the Third Principal Meridian (Except that part of lots 9 and 10 conveyed to the City of Chicago for widening of Ogden Avenue and also excepting from said lots 9 and 10 that part thereof condemned or used for alley purposes) all in Cook County, Illinois.

#### Address:

2653 West Ogden Avenue, Chicago, Illinois.

#### PIN:

16-24-215-001

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## EXHIBIT B

### Legal Description of the Property

**Legal Description:**

LOTS 56, 57, 58, 59, 60, 61, 62, 63, 64 AND 65 (EXCEPT THE SOUTH 26 FEET THEREOF CONVEYED TO THE METROPOLITAN WEST SIDE ELEVATED RAILROAD COMPANY) IN AYRES SUBDIVISION OF BLOCK 52, IN THE SUBDIVISION OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**Address:**

1919 West Cullerton Street, Chicago, Illinois.

**PIN:**

17-19-418-008

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