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This instrument was prepared by:

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Doc#: 0422501209
Eugene "Gene" Moore Fee: \$64.00
Cook County Recorder of Deeds
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After recording, this instrument should be returned to:

Chicago Housing Authority
200 W. Adams St., Suite 2100
Chicago, IL 60606
Attn: Larue Little, Esq.

TICOR TITLE INSURANCE

PROPERTY RIGHTS AGREEMENT

THIS AGREEMENT is entered into as of the 1st day of August, 2004, by and among the Chicago Housing Authority, an Illinois municipal corporation ("CHA"), Jazz on the Boulevard, LLC, a Delaware limited liability company ("Developer"), and Drexel Jazz Limited Partnership, an Illinois limited partnership (the "Partnership").

Recitals

A. Developer has agreed to construct on the property described on Exhibit A attached hereto and certain property adjacent to certain of the parcels described on Exhibit A (collectively, the "Development Parcels") a multi-family mixed-income residential development, consisting of a total of 137 dwelling units and related improvements, to be known as Jazz on the Boulevard (the "Development"). The Development Parcels include the North Parcel (which includes the North Parcel Leased Condominium Property, the Townhome Parcel (which, in turn, includes the North Parcel For-Sale Townhome Property and the North Parcel Leased Townhome Property) and the Greenspace Parcel), the Middle Parcel and the South Parcel.

B. The North Parcel is owned by CHA and the Middle Parcel and the South Parcel are owned by the City of Chicago (the "City").

C. In order to promote the Development, the City has agreed to convey the Middle Parcel and the South Parcel to Developer, and CHA has agreed to: (1) convey the North Parcel For-Sale Townhome Property to Developer; (2) lease the North Parcel Leased Condominium Property to Developer under that certain Ground Lease, dated as of August 1, 2004 (the "For-Sale Ground Lease"); (3) lease the North Parcel Leased Townhome Property to Developer under that certain Ground Lease, dated as of August 1, 2004 (the "Rental Ground Lease"); and (4) create easements for open space, storm water detention and utilities and impose certain other covenants, conditions and restrictions for the benefit of, and that shall be binding upon, the North Parcel Leased Condominium Property and the Townhome Parcel over, under, across and upon

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8 of 20

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the Greenspace Parcel. The For-Sale Ground Lease and the Rental Ground Lease are hereinafter collectively referred to as the "Ground Leases".

D. Upon completion of construction thereof, the public housing units described in the R&O Agreement (as that term is hereinafter described), which are intended to include 19 condominium units on the North Parcel Leased Condominium Property, the four townhome units on the North Parcel Leased Townhome Property, two condominium units on the Middle Parcel and five condominium units on the South Parcel (collectively, the "PHA-Assisted Units"), will be sold by Developer to the Partnership, who will, in turn, during the term of the R&O Agreement, lease them to CHA Tenants (as that term is defined in the Ground Leases). The tenant's interest under the Rental Ground Lease will also be assigned by Developer to the Partnership upon completion of construction of the four townhome units thereon. A total of nine additional units on the North Parcel Leased Condominium Property, the Middle Parcel and the South Parcel (collectively, the "Affordable Rental Units") will be sold by Developer to the Partnership, who will, in turn, during the term of that certain Regulatory Agreement, dated as of August 1, 2004, between Developer, and the City, as the same may be assigned to the Partnership (the "City Regulatory Agreement"), lease them to low-income persons and families who qualify as eligible tenants under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). The PHA-Assisted Units and the Affordable Rental Units are hereinafter collectively referred to as the "Rental Units".

E. Concurrently herewith, CHA, Developer and the Partnership are entering into that certain Regulatory and Operating Agreement, dated as of August 1, 2004 (the "R&O Agreement"), which obligates the Partnership to lease the PHA-Assisted Units to CHA Tenants for a period of at least 40 years after the last day of the month in which the last PHA-Assisted Unit is leased to a CHA Tenant. The period during which the Partnership is obligated to lease the PHA-Assisted Units to CHA Tenants pursuant to the R&O Agreement is hereinafter referred to as the "R&O Term". The R&O Agreement obligates CHA, during the first 40 years of the R&O Term, to make payments to the Partnership of operating subsidies and other amounts with respect to the PHA-Assisted Units.

F. Portions of the Development are or will be subject to one or more governmental agency regulatory agreements as described in the Ground Leases (said regulatory agreements (including without limitation the City Regulatory Agreement) and the R&O Agreement are collectively referred to as the "Regulatory Agreements") restricting the use of certain of the units to low-income housing, and, in the case of the R&O Agreement, restricting the use of certain of the units to PHA-Assisted Units (such use restrictions under the Regulatory Agreements being collectively referred to herein as the "Use Restrictions").

G. The parties have agreed that CHA is to have a right of first refusal to purchase the PHA-Assisted Units, upon the expiration of the R&O Term, as more particularly described below.

H. The parties have further agreed that, if CHA does not purchase the PHA-Assisted Units pursuant to the Refusal Right (as that term is defined in Section 1) or otherwise upon the expiration of the R&O Term, the then owner of the PHA-Assisted Units may, at any time

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thereafter, sell the PHA-Assisted Units to third parties, and the net proceeds of such sales shall be divided between CHA and such owner, as more particularly described below.

I. Upon the expiration of the Rental Ground Lease, the land leased thereby and title to the four townhome units constructed thereon (collectively the "Rental Townhome Units") will revert to CHA. In addition, and notwithstanding any CHA decision to not purchase the PHA-Assisted Units, and notwithstanding CHA's sharing in any net sales proceeds, CHA shall also have the option, upon the expiration or earlier termination of the For-Sale Ground Lease, to purchase any or all of the PHA-Assisted Units that have not been sold to third party purchasers, as more particularly described below.

J. The parties have further agreed that the net proceeds of the initial sale of the 98 for-sale units in the Development are to be divided among Developer, CHA and the City, as more particularly described below.

K. CHA has agreed to enter into the Ground Leases and CHA has agreed to provide certain financial assistance in the form of loans to Developer and the Partnership on the condition that Developer and the Partnership enter into this Agreement.

NOW, THEREFORE, in consideration of the execution and delivery of this Agreement and the payment by CHA to each of Developer and the Partnership of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Grant of Refusal Right.** (a) The Partnership hereby grants to CHA the right of first refusal (the "Refusal Right") to purchase the PHA-Assisted Units on the terms and subject to the conditions set forth in this Agreement. The parties acknowledge that the PHA-Assisted Units may float among the Rental Units from time to time so the Refusal Right shall apply to those Units that are PHA-Assisted Units on the last day of the R&O Term. If, for any reason there are less than 30 PHA-Assisted Units, the Refusal Right shall apply to such lesser number of Units. Except as provided in Subparagraph (b) below, the Refusal Right shall apply only in the event that the Partnership receives an offer to purchase the Development, or any portion thereof that includes one or more of the PHA-Assisted Units (a "Purchase Offer"), with a closing to occur on or after the date that the R&O Agreement is to expire (the "R&O Expiration Date"). If the Partnership receives such a Purchase Offer, the Partnership shall, within fourteen (14) days after receipt thereof, give written notice (the "Purchase Offer Notice") to CHA (and to such other parties as required under the Partnership's organizational documents) of such Purchase Offer, which shall be accompanied by a copy of such Purchase Offer and the Partnership's estimate of the Purchase Price (as that term is hereinafter defined) that would be payable by CHA for the PHA-Assisted Units. The Partnership shall not accept any Purchase Offer unless and until the same is subject to the Refusal Right (i.e. that such Purchase Offer must include an acknowledgement from the prospective purchaser that the Partnership is not obligated to sell the PHA-Assisted Units to the prospective purchaser if the Refusal Right is exercised), unless the Refusal Right Period (as that term is hereinafter defined) has expired without exercise of the Refusal Right by CHA. As used herein, "Refusal Right Period" shall mean the period commencing on the date of CHA's receipt of the Purchase Offer Notice and ending six (6) months after such date. The Refusal Right may be exercised by CHA giving written notice of

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exercise of the Refusal Right (the “Exercise Notice”) to the Partnership prior to the expiration of the Refusal Right Period. If the Partnership has timely provided to CHA the estimate of the Purchase Price (the Partnership acknowledges that such estimate will be a material factor in CHA’s decision whether to exercise the Refusal Right) and CHA fails to give the Exercise Notice prior to the expiration of the Refusal Right Period for any reason, the Refusal Right shall expire and be of no further force or effect.

(b) If the R&O Agreement is terminated prior to the R&O Expiration Date, the Refusal Right shall apply in the event that the Partnership receives any Purchase Offer within the six (6) month period immediately succeeding the date that the R&O Agreement is terminated, regardless of the date of closing under such Purchase Offer. In such event, all of the other provisions of Subparagraph (a) shall apply.

2. **Obligation to Market.** The Partnership shall actively market and solicit offers to purchase the PHA-Assisted Units or the Development, commencing not later than the earlier of: (a) twelve (12) months preceding the R&O Expiration Date; and (b) the date the R&O Agreement is terminated prior to the R&O Expiration Date.

3. **Purchase Price Under Refusal Right.** The purchase price for the PHA-Assisted Units payable by CHA under the Refusal Right shall be equal to the greater of: (a) the sum of: (i) the Proportionate Share (as that term is hereinafter defined) of an amount sufficient to pay all debts of the Partnership (not including partner loans), subject to the limitations of Section 4, plus (ii) an amount sufficient for the Partnership to pay the federal and state taxes, if any, projected to be imposed on the Partnership as a result of the sale of the PHA-Assisted Units pursuant to the Refusal Right; and plus (iii) an amount sufficient for the Partnership to distribute to the partners of the Partnership (the “Partners”) cash proceeds equal to the federal and state taxes imposed on the Partners as a result of the sale of the PHA-Assisted Units pursuant to the Refusal Right (the purchase price determined under this Clause (a) is hereinafter referred to as the “Debt Plus Taxes Price”); and (b) if the minimum allowable purchase price determined under Section 42(i)(7) of the Code, with the application of the Proportionate Share calculation, is greater than the Debt Plus Taxes Price determined under Clause (a), then the purchase price shall be such price (calculated as a fraction of the Rental Units, the numerator of which is the total square footage of all of the PHA-Assisted Units, and the denominator of which is the total square footage of all the Rental Units) as determined under the Code (the purchase price determined under this Clause (b) is hereinafter referred to as the “Code Price”). The purchase price for the PHA-Assisted Units, determined in accordance with the foregoing provisions of this Section 3, is hereinafter referred to as the “Purchase Price”. If, at the time of the Closing (as that term is hereinafter defined), the Debt Plus Taxes Price applies, and the actual amounts due under Clauses (a)(ii) and (a)(iii) are not then determinable, those amounts shall be projected based upon the assumed tax liability at the highest applicable tax rate to the Partnership and the Partners, and such amounts shall be adjusted when the actual amounts can be determined. As used herein, the term “Proportionate Share” means, with respect to any loan secured by a mortgage on the Development or any portion thereof, a fraction, the numerator of which is the total square footage of all of the PHA-Assisted Units, and the denominator of which is the total square footage of all Rental Units encumbered by such mortgage. Within fourteen (14) days after receipt of a request from CHA therefor, the Partnership shall provide to CHA the Partnership’s estimate of the Purchase Price (as that term is hereinafter defined) that would be payable by

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CHA for the PHA-Assisted Units. Promptly after CHA delivers the Exercise Notice to the Partnership, CHA and the Partnership shall use their best efforts in good faith to agree upon the Purchase Price for the PHA-Assisted Units.

4. Limitations on Debt. The mortgage loans obtained by the Partnership in connection with its acquisition of the Rental Units are hereinafter collectively referred to as the “Initial Loans”. If any such Initial Loan is a short-term construction loan that is to be replaced by a so-called “permanent loan” upon completion of construction, the term “Initial Loans” shall include such permanent loan rather than such construction loan. It is anticipated that the unpaid balance of the CHA first mortgage loan secured by a first mortgage on the Rental Units (the “Initial First Mortgage Loan”), plus all accrued and unpaid interest thereon (collectively, the “Unpaid Balance”), as of the R&O Expiration Date, or at any other point in time, may be higher than the original principal amount of such loan because the payments required from time to time may be less than the amount of interest that accrues. Such Unpaid Balance at any point in time, assuming timely payments of principal and/or interest, is hereinafter referred to as the “Projected Balance”. It is also anticipated that the Unpaid Balance as of the R&O Expiration Date of other mortgage loans comprising the Initial Loans may be higher than the original principal amount of such loans because the payments required from time to time (which are based on some portion of net income or net cash flow or “surplus cash,” etc.) may be less than the amount of interest that accrues. The parties acknowledge that it is possible that the Partnership will, from time to time, deem it necessary or desirable to refinance or replace one or more of the Initial Loans or to incur additional debt in connection with the Rental Units (such refinanced or additional debt, “Alternate Debt”). The parties further acknowledge that any Alternate Debt may affect the amount of the Partnership’s debt, which would also affect the Debt Plus Taxes Price. Accordingly, the parties agree that the following limitations shall apply for purposes of determining the Debt Plus Taxes Price:

(a) if any Initial Loan is refinanced or replaced, or if the Partnership incurs additional debt, the Partnership’s debt, for purposes of determining the Debt Plus Taxes Price, shall be equal to the lesser of: (i) the then Unpaid Balance of all outstanding loans incurred by the Partnership in connection with the Rental Units, and (ii) what such then Unpaid Balance would have been if such Initial Loan had not been refinanced or replaced (based on the Projected Unpaid Balance) or such additional debt had not been incurred; and

(b) if CHA has consented in writing to any proposed Alternate Debt, and in connection with such consent has expressly agreed that such Alternate Debt is to be taken into account in determining the Partnership’s debt for purposes of determining the Debt Plus Taxes Price, then such Alternate Debt shall be so taken into account to the extent so expressly agreed by CHA.

5. Conditions Precedent. Notwithstanding anything in this Agreement to the contrary, CHA’s exercise of the Refusal Right granted under this Agreement shall be contingent on the following:

(a) CHA shall not have defaulted (and, if applicable, no Permitted Assignee (as that term is hereinafter defined) shall have defaulted) in a material respect under any

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of its obligations to the Partnership under this Agreement, the R&O Agreement, or any other loan documents or collateral documents by and between CHA (or such Permitted Assignee) and the Partnership, provided that the Partnership has given written notice of such default to CHA and such default remains uncured; and

(b) CHA shall be in good standing as a public housing entity under the rules and regulations of the United States Department of Housing and Urban Development (“HUD”) and as an Illinois municipal corporation as of the Closing (as that term is hereinafter defined) (and, if applicable, any Permitted Assignee shall similarly be in existence and good standing).

If either of such conditions precedent has not been met, any exercise of the Refusal Right shall be null and void and the Refusal Right shall be of no further force or effect.

6. Contract and Closing Date. Promptly after the Purchase Price has been determined, the Partnership and CHA shall enter into a written contract for the purchase and sale of the PHA-Assisted Units in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the City of Chicago. The closing date under such contract (the “Closing Date”) shall be the last day of the R&O Term (or such other mutually acceptable date). In the absence of any such purchase and sale contract, this Agreement shall be specifically enforceable upon the exercise of the Refusal Right. The closing shall take place through a deed-and-money escrow with mutually acceptable title company. At the closing: (a) CHA shall pay to the Partnership the Purchase Price, plus or minus customary prorations and credits; provided, however, that CHA shall have the right to apply as a credit against the Purchase Price up to the entire unpaid principal balance of, plus accrued interest on, any loan then held by CHA that is secured by a mortgage on the Rental Units, or any portion thereof (with any remainder of such principal balance plus accrued interest, and any other amounts then due from the Partnership to CHA in connection with such loan being secured by a mortgage lien on the Affordable Rental Units); and (b) the Partnership shall deliver to CHA the following: (i) a Special Warranty Deed conveying the PHA-Assisted Units to CHA free and clear of all liens, claims, encumbrances and other matters other than: (A) the matters set forth on Exhibit B attached hereto; (B) the provisions of the condominium declaration that governs such unit and the Condominium Property Act; (C) and such other matters as CHA does not reasonably disapprove; and (ii) an ALTA owner’s title insurance policy (with extended coverage and an ALTA Condominium Endorsement Form 4), in the amount of the Purchase Price, insuring CHA’s title to the PHA-Assisted Units. CHA and the Partnership shall also execute and deliver such other documents as are customary in similar transactions in the City of Chicago.

7. Use Restrictions. In consideration of the Refusal Right granted hereunder at the price specified herein, CHA hereby agrees that the deed conveying the PHA-Assisted Units to CHA shall contain a covenant running with the land, restricting use of the PHA-Assisted Units to low-income housing to the extent and for so long as required by those Use Restrictions contained in the Regulatory Agreements.

8. Assignment. CHA may assign all or any of its rights under this Agreement with respect to the Refusal Right to: (a) a qualified nonprofit organization, as defined in Section

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42(h)(5)(C) of the Code; (b) a government agency; or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Development or the PHA-Assisted Units; in each case with the prior written consent of the Partnership (each a "Permitted Assignee"), which consent shall not be unreasonably withheld if the proposed assignee demonstrates: (i) its ability and willingness to operate and maintain the PHA-Assisted Units as low-income housing in accordance with the Use Restrictions; and (ii) that it is reputable and creditworthy and is a capable, experienced owner and operator of residential rental property. Any such assignment shall be subject to the conditions precedent to the exercise of the Refusal Right set forth in Section 5. Prior to any assignment or proposed assignment of its rights hereunder, CHA shall give written notice thereof to the Partnership. Upon any permitted assignment hereunder, references in this Agreement to CHA shall mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of CHA's rights hereunder shall be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of CHA's obligations under this Agreement with respect to the Refusal Right and copies of such written agreement are delivered to the Partnership. Except as specifically permitted herein, CHA's rights hereunder with respect to the Refusal Right shall not be assignable.

9. Sale of PHA-Assisted Units Upon Expiration of the R&O Agreement. If the PHA-Assisted Units are not purchased by CHA or a Permitted Assignee pursuant to the Refusal Right, the Partnership may continue to rent the PHA-Assisted Units or may sell individual Units to a third party purchaser or purchasers who are not related to or affiliated with the Partnership or any Partner and who intend to occupy such Unit as his/her or their principal residence (all such purchasers of a Unit are hereinafter collectively referred to as a "Third Party Purchaser"). In the event that any PHA-Assisted Unit is sold to a Third Party Purchaser, the Net Sale Proceeds (as that term is hereinafter defined) shall be divided between the Partnership and CHA in accordance with the following respective percentages (the "Sale Percentages"): (i) the Partnership - 50%; and (ii) CHA - 50%. As used herein, the term "Net Sale Proceeds" shall mean, with respect to the initial sale of any Unit to a Third Party Purchaser, the amount by which the sum of: (a) the total sale price of such Unit; plus (b) net prorations and credits, if any, in favor of the seller; exceeds the sum of: (1) net prorations and credits, if any, in favor of the purchaser; plus (2) customary expenses of the seller (including without limitation title, escrow, and recording charges; transfer taxes; and brokers' commissions); and plus (3) the amount required to be paid to the holder of any mortgage encumbering such unit in order to obtain a release of such mortgage from such unit. The Net Sale Proceeds of all of the PHA-Assisted Units that are sold to Third Party Purchasers shall be aggregated (the "Aggregate Net Sale Proceeds"), and the Sale Percentages shall be applied to the Aggregate Net Sale Proceeds. In the event that the Partnership desires to make any interim distribution of any portion of the Net Sale Proceeds of any PHA-Assisted Unit or Units (other than an interim distribution to provide funds to the Partners to pay income taxes due with respect to the sale of the Units), or a final distribution of the Aggregate Net Sale Proceeds, each such distribution shall be made concurrently to the Partnership and CHA in accordance with their respective Sale Percentages. Any and all amounts due and payable to CHA under this Section 9 shall be deemed to constitute contingent interest payable on the loan made by CHA to the Partnership for the purpose of financing the PHA-Assisted Units. In no event shall the amounts due and payable to CHA under this Section 9 exceed the amount of interest that would have been payable to CHA if the CHA loan bore

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interest from its date until paid at an annual interest rate of 9.75% per annum compounded annually.

10. Initial Sale of the For-Sale Units in the Development. Reference is made to that certain Drexel Boulevard Transformation Project Redevelopment Agreement, dated as of August 1, 2004 (the "TIF Redevelopment Agreement"), among the City, Developer and the Partnership, which is being recorded concurrently herewith. Pursuant to the TIF Redevelopment Agreement, Developer is obligated to sell the for-sale units in the Development (which are all of the units in the Development other than the Rental Units) to Third Party Purchasers, and to share the Available Net Cash Proceeds (as that term is defined in the TIF Redevelopment Agreement) with the City and CHA. Pursuant to the TIF Redevelopment Agreement, Developer is to receive 50% of the Available Net Cash Proceeds and the City and CHA will receive 50% of the Available Net Cash Proceeds. The City and CHA have agreed that all Available Net Cash Proceeds payable to the City and CHA under the TIF Redevelopment Agreement shall be paid 50% to the City and 50% to CHA (the "Initial Sale Percentages"). Developer agrees to pay to CHA CHA's Initial Sales Percentage of such Available Net Proceeds. No Third Party Purchaser of any for-sale unit shall have any responsibility or liability with respect to such payment, which shall solely be the obligation of Developer (and any successor to Developer). In the event that Developer desires to make any interim distribution of any portion of the Available Net Cash Proceeds of any for-sale unit or units (other than an interim distribution to provide funds to the Partners to pay income taxes due with respect to the sale of the units), or a final distribution of the Available Net Cash Proceeds, each such distribution shall be made concurrently to Developer, the City and CHA (and, as between the City and CHA, in accordance with their respective Initial Sale Percentages).

11. Expiration Purchase Option. Upon the expiration of the Rental Ground Lease, the land leased thereby and title to the four Rental Townhome Units will revert to CHA. In addition, if the other PHA-Assisted Units are not purchased by CHA or a Permitted Assignee upon the expiration of the R&O Term, CHA shall have the option (the "Expiration Purchase Option"), upon the expiration or earlier termination of the For-Sale Ground Lease, to purchase, for a total price of One Dollar (\$1.00), any or all of the PHA-Assisted Units that have not been sold to third party purchasers (including without limitation PHA-Assisted Units located on the Middle Parcel and the South Parcel that were never subject to the For-Sale Ground Lease). The Expiration Purchase Option may be exercised by CHA giving written notice (the "Expiration Purchase Option Exercise Notice") to the Partnership on or before the date that is the first to occur of: (a) sixty (60) days prior to the expiration date of the For-Sale Ground Lease; and (b) sixty (60) days after the earlier termination of the For-Sale Ground Lease. If CHA fails to give the Expiration Purchase Option Exercise Notice prior to such date, the Expiration Purchase Option shall expire and be of no further force or effect.

12. Purchase Contract, Closing Date and Closing. Promptly after the Partnership's receipt of the Expiration Purchase Option Exercise Notice, the Partnership and CHA shall enter into a written contract for the purchase and sale of the PHA-Assisted Units in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the City of Chicago. The closing date under the Contract (the "Closing Date") shall be the later of: (a) the date specified by CHA in its Expiration Purchase Option Exercise Notice; and (b) sixty (60) days after the expiration or earlier termination of the

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For-Sale Ground Lease. In the absence of any such purchase and sale contract, this Agreement shall be specifically enforceable upon the exercise of the Expiration Purchase Option. The provisions of Section 5 shall apply to the closing pursuant to the Expiration Purchase Option, except that the "Purchase Price" shall be deemed to be One Dollar (\$1.00).

13. **Substitution of Legal Descriptions.** The parties acknowledge that no legal description presently exists for any condominium unit within the Development. Accordingly, this Agreement is being recorded against the title to the underlying lots or parcels on which Rental Units are to be located. Upon the recording of a condominium declaration (or amendment thereto), the legal descriptions on Exhibit A shall be amended to reflect the PHA-Assisted Units, the Affordable Rental Units and the for-sale condominium units, as appropriate, in order to separately describe and encumber the Rental Units. The parties shall promptly execute and deliver all documents that are necessary to do so, including without limitation releases of the underlying real estate that is the subject of any condominium declaration (or amendment thereto). Notwithstanding the foregoing provisions of this Section 13, in order to insure that Developer is able, in a timely manner, to convey marketable title to the for-sale units in the Development to the purchasers thereof: (a) this Agreement shall automatically be deemed to be released with respect to such for-sale units (together with their respective undivided interests in the common elements) upon the recording of the condominium declaration (or amendment thereto) creating such units; and (b) this Agreement shall automatically attach to the Rental Units (together with their respective undivided interests in the common elements) created by such condominium declaration (or amendment thereto). Such automatic release, however, shall not operate to release the parties from any of their obligations under this Agreement. Any purchaser of any such for-sale unit, any lender with a lien on such for-sale unit, and any title insurance company insuring such purchaser's and/or such lender's interests in such for-sale unit may rely upon this Section 13 as evidence of the release described above.

14. **Binding on Successors; Running with the Land.** This Agreement shall be binding upon the parties hereto and their respective successors and assigns, including without limitation the PHA-Assisted Units (whichever units they may be from time to time). Developer and the Partnership acknowledge that CHA would not enter into the Ground Leases and CHA would not provide the financial assistance to Developer and the Partnership without the Refusal Right, the Expiration Purchase Option, the sharing of Available Net Cash Proceeds provisions, and the other provisions of this Agreement being binding upon the parties herein and their respective successors and assigns and the PHA-Assisted Units. Accordingly, the parties hereby jointly declare that the provisions of this Agreement run with the land for the benefit of the parties hereto and their respective successors and assigns.

15. **Miscellaneous.**

(a) **Applicable Law.** This Agreement shall be construed and enforced in accordance with the law of the State of Illinois, without giving effect to any choice or conflict of law provision or rule that would cause the application of the law of any jurisdiction other than the State of Illinois.

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(b) **Entire Agreement.** This Agreement constitutes the entire agreement among the parties and supersedes any prior agreement or understanding among them with respect to the subject matter hereof.

(c) **Amendments in Writing.** In no event shall this Agreement or any terms, provisions or conditions hereof be deemed to be amended, modified or changed in any manner whatsoever, except and unless set forth and provided for in writing executed by the party to be charged therewith.

(d) **Partial Invalidity.** If any term, provision or condition of this Agreement or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term, provision or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, provision and condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(e) **Notices.** Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed giving if (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

If to CHA:

Chicago Housing Authority
626 West Jackson Blvd.
Chicago, Illinois 60661
Attention: Chief Executive Officer

with a copy to:

Chicago Housing Authority
200 West Adams Street, Suite 2100
Chicago, Illinois 60606
Attention: General Counsel

If to Developer:

Jazz on the Boulevard LLC
c/o Thrush Companies
357 W. Chicago Avenue
Chicago, Illinois 60610
Attention: Bill Wolk

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with a copy to:

Charity & Associates
20 N. Clark St., Suite 700
Chicago, Illinois 60602
Attn: Elvin Charity, Esq.

If to the Partnership:

Drexel Jazz Limited Partnership
c/o Century Place Development Corp.
208 S. LaSalle Street, Suite 1818
Chicago, Illinois 60606
Attention: Executive Director

with a copy to:

Applegate & Thorne-Thomsen, P.C.
322 S. Green Street, Suite 412
Chicago, Illinois 60607
Attention: Bennett P. Applegate, Esq.

A copy of each notice shall be sent to Department of Law, City of Chicago, 121 N. LaSalle Street, Room 600, Chicago, Illinois 60602, Attn: Finance and Economic Development Division.

(f) **Captions.** The captions of this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement nor in any way affect this Agreement.

(g) **Agreement Not to be Construed Against Either Party.** Each of the parties has been represented by counsel in connection with the negotiation and drafting of this Agreement. Accordingly, this Agreement shall not be construed against or for any party.

(h) **Disclaimer of Relationships.** Nothing contained in this Agreement nor any act of CHA shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving CHA.

(i) **Counterparts.** This Agreement may be executed by the parties in counterparts, and one or more counterpart signature pages may be detached from its counterpart and combined with other counterpart signature pages, so that the signatures of all parties are included herein (even though such signatures may appear on separate counterpart signature pages); and if and when this Agreement has been so executed and each of the parties has delivered this Agreement, this Agreement shall be valid and binding on all parties.

[Signatures appear on the following page.]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

Chicago Housing Authority, an Illinois municipal corporation

By: 
Terry Peterson
Chief Executive Officer

Jazz on the Boulevard, LLC, a Delaware limited liability company

By: Thrush Drexel Inc., an Illinois corporation, its managing member

By: _____
Name: David Chase
Title: President

Drexel Jazz Limited Partnership, an Illinois Limited Partnership

By: Drexel Neighborhood Development Corporation, an Illinois not-for-profit corporation, its general partner

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

Chicago Housing Authority, an Illinois municipal corporation

By: _____
Terry L. Peterson
Chief Executive Officer

Jazz on the Boulevard, LLC, a Delaware limited liability company

By: Thrush Drexel, Inc., an Illinois corporation, its managing member

By: _____
Name: David L. Chase
Title: President

Drexel Jazz Limited Partnership, an Illinois Limited Partnership

By: Drexel Neighborhood Development Corporation, an Illinois not-for-profit corporation, its general partner

By: _____
Name: Andrew E. GAR
Title: Assistant Secretary

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STATE OF ILLINOIS)

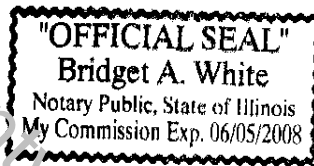
) ss.

COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Andrew E. Geer the Assistant Secretary of Drexel Neighborhood Development Corporation, an Illinois not-for-profit corporation, which is the general partner of Drexel Jazz Limited Partnership, an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Assistant Secretary, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his or her own free and voluntary act and as the free and voluntary act of said corporation, in its capacity as general partner of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 30th day of July, 2004.

Bridget A. White
Notary Public



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STATE OF ILLINOIS)
) ss.
 COUNTY OF COOK)

I, _____, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, the _____ of Chicago Housing Authority, an municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his or her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 30th day of July, 2004.

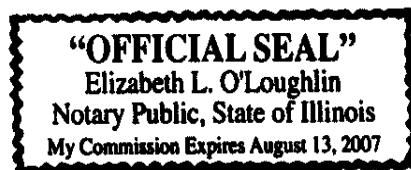
 Notary Public

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 David L. Chase, the President of Thrush Drexel Inc., an Illinois corporation, which is the sole managing member of Jazz on the Boulevard, LLC, a Delaware limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his or her own free and voluntary act and as the free and voluntary act of said corporation in its capacity as managing member of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 20 day of July, 2004.

Elizabeth L. O'Loughlin
 Notary Public



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EXHIBIT A LEGAL DESCRIPTIONS

Parcel One

The Leasehold Estate created by that certain Ground Lease dated as of August 1, 2004 from the Chicago Housing Authority, an Illinois municipal corporation, as lessor, to Jazz on the Boulevard, LLC, a Delaware limited liability company, as lessee, which Ground Lease demises the land hereinafter described (the "For-Sale Land"), except the buildings and improvements located thereon.

Parcel Two

The ownership of the buildings and improvements on the For-Sale Land hereinafter described, as defined in the Ground Lease dated as of August 1, 2004 from the Chicago Housing Authority, an Illinois municipal corporation, to Jazz on the Boulevard, LLC, a Delaware limited liability company.

The For-Sale Land (Parcel A Property Leased Under the For-Sale Ground Lease)

Lots 1, 2, 3, 4, 5, 26 (except the northerly 5.67 feet of Lot 26), 27, 28 and 29 in Jazz on the Boulevard Subdivision, being a Subdivision in the West Half of the fractional Northwest Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, according to the plat thereof recorded July 30, 2004 as Document No. 0421210098 with the Recorder of Deeds of Cook County, Illinois.

Also, Lot 6 in said above-described Jazz on the Boulevard Subdivision, excepting therefrom that part of Lot 6 described as follows: commencing at the northwest corner of said Lot 6, thence South 20° 44' 19" East along the westerly line of said Lot 6 a distance of 8.44 feet, thence North 69° 15' 41" East a distance of 19.00 feet to the easterly line of Lot 6, thence North 20° 44' 16" West along said easterly line of Lot 6 a distance of 1.25 feet to the northerly line of Lot 6, thence South 90° 00' 00" West along the northerly line of Lot 6 a distance of 20.32 feet to the point of beginning.

Commonly known as: 4100, 4108, 4114, 4120, 4124 and 4130 S. Drexel Boulevard
803, 811, 817 and 825 E. 41st Street
804, 812, 822 and 830 E. Bowen Avenue

PINs: Part of 20-02-110-033
Part of 20-02-110-034
Part of 20-02-110-035
Part of 20-02-110-036
Part of 20-02-110-037

Parcel Three

The Leasehold Estate created by that certain Ground Lease dated as of August 1, 2004 from the Chicago Housing Authority, an Illinois municipal corporation, as lessor, to Jazz on the

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Boulevard, LLC, a Delaware limited liability company, as lessee, which Ground Lease demises the land hereinafter described (the "Rental Land"), except the buildings and improvements located thereon.

Parcel Four

The ownership of the buildings and improvements on the Rental Land hereinafter described, as defined in the Ground Lease dated as of August 1, 2004 from the Chicago Housing Authority, an Illinois municipal corporation, to Jazz on the Boulevard, LLC, a Delaware limited liability company.

The Rental Land (Parcel A Property Leased Under the Rental Ground Lease)

Lots 7, 11, 15 and 19 in Jazz on the Boulevard Subdivision, being a Subdivision in the West Half of the fractional Northwest Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, according to the plat thereof recorded July 30, 2004 as Document No. 0421210098 with the Recorder of Deeds of Cook County, Illinois.

Commonly known as: 4106, 4109, 4114 and 4119 S. Maryland Avenue

PINs: Part of 20-02-110-033
Part of 20-02-110-034
Part of 20-02-110-035
Part of 20-02-110-036
Part of 20-02-110-037

Parcel Five

(The Parcel B Property)

Lots 20 to 29, both inclusive, (except that part taken for the widening and extension of a public alley) in Block 2 in Charles R. Steele's Resubdivision of Lot 1 in Bayard and Palmer Addition made by Circuit Court Partition, being a Subdivision of 11.22 chains North of and adjoining South 25 rods of the Northwest fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, lying West of Hyde Park Avenue (except the North 53 feet 4 1/2 inches thereof conveyed to Union Stock Yards and Transit Company), in Cook County, Illinois.

Commonly known as: 4136, 4138, 4140, 4142, 4146, 4148, 4150, 4154, 4156, 4158 and 4160 South Drexel Boulevard

PINs: Part of 20-02-111-012
Part of 20-02-111-020
Part of 20-02-111-021
Part of 20-02-111-022

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Parcel Six

(The South Parcel Multifamily Property - East Parcel on Parcel C)

That part of Lots 16 to 24, both inclusive, (except that part taken for the widening and extension of a public alley) in Block 3 in Charles R. Steele's Resubdivision of Block 1 in Bayard and Palmer Addition to the Northwest fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, described as follows:

Beginning at the Northeast corner of said tract; thence South 03° 44' 15" East, along the East line thereof, 187.11 feet to the South line of said tract; thence North 89° 52' 56" West, along said South line, 80.20 feet; thence North 00° 00' 00" East 23.82 feet; thence Northerly and Easterly 7.85 feet along the arc of a circle convex to the Northwest, having a radius of 5.00 feet, and whose chord bears North 45° 00' 00" East, a distance of 7.07 feet; thence North 90° 00' 00" East 7.00 feet; thence North 00° 00' 00" East 128.33 feet; thence North 90° 00' 00" West 7.00 feet; thence Westerly and Northerly 7.85 feet along the arc of a circle convex to the Southwest, having a radius of 5.00 feet, and whose chord bears North 45° 00' 00" West, a distance of 7.07 feet; thence North 00° 00' 00" East 24.61 feet to a point on the North line of said tract; thence South 89° 49' 25" East, along said North line, 68.00 feet to the point of beginning, in Cook County, Illinois.

Also, the following described parcel:

Commencing at the Northeast corner of said tract; thence North 89° 49' 25" West, along the North line thereof, 82.00 feet; thence South 00° 00' 00" West 49.82 feet to the point of beginning; thence South 90° 00' 00" East 8.00 feet; thence South 00° 00' 00" West 88.00 feet; thence North 90° 00' 00" West 8.00 feet; thence North 00° 00' 00" East 88.00 feet to the point of beginning, in Cook County, Illinois.

Commonly known as: 4162, 4164, 4168, 4174, 4176 and 4178 S. Drexel Boulevard

PINs: Part of 20-02-112-012
Part of 20-02-112-016

(The South Parcel Multifamily Property – Roadway Parcel)

That part of Lots 16 to 24, both inclusive, (except that part taken for the widening and extension of a public alley) in Block 3 in Charles R. Steele's Resubdivision of Block 1 in Bayard and Palmer Addition to the Northwest fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, described as follows:

Center Parcel

Commencing at the North East corner of said tract; thence South 03 degrees 44'15" East along the East line thereof, 187.11 feet to the South line of said tract; thence North 89 degrees 52'56" West along the South line of said tract, 80.20 feet to the point of beginning; thence North 00 degrees 00'00" East 23.82 feet; thence Northerly and Easterly 7.85 feet along the arc of a circle convex to the Northwest, having a radius of 5.00 feet, and whose chord bears North 45 degrees 00'00" East, a distance of 7.07 feet; thence North 90 degrees 00'00" East 7.00 feet; thence North

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00 degrees 00'00" East 128.33 feet; thence North 90 degrees 00'00" West 7.00 feet; thence Westerly and Northerly 7.85 feet along the arc of a circle convex to the Southwest, having a radius of 5.00 feet, and whose chord bears North 45 degrees 00'00" West, a distance of 7.07 feet; thence North 00 degrees 00'00" East 24.61 feet to a point on the North line of said tract; thence North 89 degrees 49'25" West along said North line, 32.50 feet; thence South 00 degrees 00'00" East 186.79 feet to a point on the South line of said tract; thence South 89 degrees 52'56" East along said South line, 32.50 feet to the point of beginning, in Cook County, Illinois, but excepting therefrom the following described parcel:

Commencing at the Northeast corner of said tract; thence North 89° 49' 25" West, along the North line thereof, 82.00 feet; thence South 00° 00' 00" West 49.82 feet to the point of beginning; thence South 90° 00' 00" East 8.00 feet; thence South 00° 00' 00" West 88.00 feet; thence North 90° 00' 00" West 8.00 feet; thence North 00° 00' 00" East 88.00 feet to the point of beginning, in Cook County, Illinois.

Commonly known as: Certain vacant land east of South Drexel Boulevard, south of East 42nd Place, east of the alley lying west of South Drexel Boulevard, and north of East 42nd Place.

PINs: Part of 20-02-112-012
Part of 20-02-112-016

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EXHIBIT B PERMITTED EXCEPTIONS

1. General real estate taxes not delinquent.
2. Assessments due under the condominium declaration and not delinquent.
3. Agreement made by Chicago Housing Authority in favor of Commonwealth Edison Company and The Illinois Bell Telephone Company, recorded June 3, 1969 as Document No. 20890510 (affects the underlying land).
4. Blanket Easement in favor of The City of Chicago, Commonwealth Edison Company, Ameritech, Peoples Gas Light & Coke Company, Chicago Cable and their respective successors and assigns, contained in Plat of Subdivision of Jazz on the Boulevard Subdivision recorded July 30, 2004 as Document No. 0421210098 (affects the underlying land).
5. Regulatory and Land Use Restriction Agreement, dated as of August 1, 2004, among Illinois Housing Development Authority, Developer and the Partnership, recorded concurrently herewith.
6. Regulatory Agreement, dated as of August 1, 2004, between the City and Developer, recorded concurrently herewith.
7. Declaration of Restrictive Covenants, dated as of August 1, 2004, made by CHA, Developer and the Partnership for the benefit of HUD, recorded concurrently herewith.

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