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Doc#: 0535732031 Fee: \$80.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 12/23/2005 11:24 AM Pg: 1 of 29

## REDEVELOPMENT AGREEMENT

(The Above Space For Recorder's Use Only)

This **REDEVELOPMENT AGREEMENT** ("Agreement") is made as of the 21st day of December, 2005, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("City"), acting by and through its Department of Housing ("DOH"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 and the party identified in Schedule 1.A to this Agreement ("Grantee"), whose offices are located at the address set forth in Schedule 1.B to this Agreement.

### RECITALS

A. As more fully described in that certain ordinance adopted by the City Council of the City on December 14, 2005, the City will acquire from the United States Department of Housing and Urban Development ("HUD") certain real property in the North Lawndale neighborhood, including the real property described on Exhibit A attached hereto (the "Property") pursuant to that certain Contract of Sale – Cash Sale dated December 21, 2005, by and between the City and HUD (the "HUD Contract").

B. Pursuant to the HUD Contract and the deed restrictions to be imposed pursuant thereto in HUD's deed to the City (the "HUD Deed Restrictions"), HUD will impose upon the City, as initial grantee, and its successors in title to the Property, certain rehabilitation (or new construction, as applicable), affordability, and tenancy requirements with respect to the Property which will run with the land for the periods specified in the HUD Contract (collectively, the "HUD Contract and Deed Obligations").

C. Upon acquiring the Property from HUD, the City will immediately reconvey the Property to Community Initiatives, Inc., an Illinois not-for-profit corporation ("CII"), pursuant to that certain Contract of Sale – Cash Sale dated December 20, 2005 by and between the City and CII, for Ten Dollars (\$10.00).

D. Upon acquiring the Property from the City, CII will immediately reconvey the Property conveyed to it to Grantee pursuant to that certain Contract of Sale – Cash Sale dated December 31, 2005 by and between CII and the Grantee, for One Dollar (\$1.00).

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E. But for the City's exercise of its federally-permitted right of first refusal to acquire the Property, and the City's agreement to convey the property to CII, and to require CII's conveyance of the Property to the Grantee, the Grantee will not be able to acquire the Property for One Dollar (\$1.00).

F. HUD will also make available to the City certain federal grant funds (the "Grant Funds") for the rehabilitation (or new construction, as applicable) of the Lawndale Restoration Project or Douglas Lawndale Apartments Project, as applicable, of which the Property is a part, pursuant to that certain Up-Front Grant Agreement ("UGA") dated December 20, 2005 by and between the City and HUD.

G. Pursuant to the UGA, the City will also assume certain rehabilitation (or new construction, as applicable), affordability, and tenancy requirements with respect to the Property, which shall apply to the Property if the Grantee utilizes Grant Funds for the Required Work (as hereinafter defined) pursuant to Section 30 below (the "HUD UGA Obligations," and together with the HUD Contract and Deed Obligations, the "HUD Obligations"). If Grantee does not utilize such Grant Funds, "HUD Obligations," as used in this Agreement, shall only refer to the HUD Contract and Deed Obligations.

H. Upon the Grantee's written election, and subject to the terms and conditions of the UGA and this Agreement, the City will make available to the Grantee a portion of the Grant Funds, in an amount determined by the City and HUD, but in no event in excess of Forty Thousand Dollars (\$40,000) per residential unit located on (or to be constructed on) the Property, for use in the rehabilitation (or new construction, as applicable) of residential units on the Property.

I. The City's willingness to act as an intermediary in arranging for the ultimate conveyance of the Property to the Grantee, and to accept such Grant Funds, is conditioned upon the Grantee's agreement to assume full responsibility for the HUD Obligations, to the extent applicable to the Property, and to assume Grantee's additional obligations under this Agreement.

J. Pursuant to the HUD Contract, occupied existing units on the Property related to the will be supported by a short-term Housing Assistance Payments Contract (the "Short Term HAP Contract"), and, in the discretion of the City and as allowable by HUD, in lieu of Grant Funds, Grantee may be offered support for its units under a continuing Housing Assistance Payment Contract (the "Continuing HAP Contract"); and

K. The City and the Grantee desire to enter into this Agreement to confirm the City's consent to the Grantee's acquisition of the Property, Grantee's assumption of the HUD Obligations, and the City's agreement to provide Grant Funds to the Grantee, all subject to the terms and conditions of the HUD Contract and Deed Obligations, the UGA, and this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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## SECTION 1. INCORPORATION OF RECITALS, SCHEDULE AND EXHIBITS.

The recitals set forth above, together with the information set forth in Schedule 1 to this Agreement and in the Exhibits attached hereto, constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

## SECTION 2. CONSENT TO ACQUISITION.

The City consents to CII's sale of the Property to Grantee for One Dollar (\$1.00), subject to Grantee's compliance with the HUD Obligations, to the extent applicable to the Property, and Grantee's compliance with its obligations under this Agreement.

## SECTION 3. TRANSACTION COSTS AND TRANSACTION DEPOSIT

The Grantee shall pay all due diligence, closing and other costs associated with (i) its initial acquisition of the Property, and (ii) the City's and CII's initial acquisition and subsequent conveyance of the Property (including, without limitation, CII's \$100/unit development services closing charge), and (iii) the City's ongoing administration of the Grantee's performance of its obligations during the term of this Agreement, including, without limitation, all title costs, escrow costs, survey costs, environmental investigation costs, recording charges, reasonable attorneys' fees and expenses, construction manager charges, inspecting architect charges, relocation consultant charges, third party Project manager charges, accounting charges and any other costs reasonably incurred by the City in connection with its administration of this Agreement and the Grant Funds, and enforcement of the City's rights and remedies hereunder (the amounts in (i), (ii) and (iii), collectively, the "Transaction Costs"). In the event that such Transaction Costs include costs not separately chargeable to the Property (i.e., they are incurred with respect to the Lawndale Restoration Project or Lawndale Douglas Project properties generally, as applicable, of which the Property is a part), then the Grantee shall pay an allocable share of such inseparable costs, as reasonably determined by the City. Unless circumstances otherwise equitably require a different allocation, such allocable share shall be based on the number of units in the Property (or to be constructed on the Property) divided by either 1,240 (such number being the total number of units in the Lawndale Restoration Project), or 57 (such number being the total number of units in the Douglas Lawndale Apartments Project), as applicable.

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Upon Grantee's execution of this Agreement, the Grantee shall initially deposit with the City an amount equal to the product of (a) \$350 (or such lesser amount as the Commissioner of DOH, in his sole discretion, may determine), times (b) the number of units located in (or to be constructed upon) the Property, as set forth in Schedule 1.C (the "Transaction Costs Deposit") to cover the City's estimate of the Transaction Costs associated with the initial conveyance of the Property to the Grantee, and the City's retention of a Project-wide construction manager, inspecting architect, relocation consultant and Project manager. From time to time during the term of this Agreement, the Grantee shall deposit such additional amounts as may be reasonably required to pay ongoing Transaction Costs. The City will pay no interest to the Grantee on the Transaction Costs Deposit. In addition to the Transaction Costs Deposit, upon Grantee's execution of this Agreement, the Grantee shall make a one-time deposit of \$2,500 to cover the title charges attributable to the initial conveyance of the Property to Grantee.

## SECTION 4. CONVEYANCE OF PROPERTY.

**Grantee acknowledges that it will acquire and thereafter hold title to the Property subject to the HUD Obligations. The Grantee acknowledges that the City has previously delivered to it substantially final copies of the HUD Contract (including the Riders attached thereto, which set forth the HUD Deed Restrictions), the UGA, the Short-Term HAP Contract and, if applicable, the Continuing HAP Contract, and that the Grantee has had a reasonable opportunity to review its obligations as "Grantee" and "Subsequent Owner" of the Property or otherwise under such documents.**

Grantee acknowledges that prior to accepting title to the Property, it shall satisfy itself as to all title, survey, real estate tax, environmental, zoning, accessibility, tenancy and other matters, including, without limitation, the physical condition of the Property and any necessary or appropriate repairs. The City makes no representation, warranty or covenant as to any such matters.

**Grantee also acknowledges that it shall be responsible for the return of all security deposits due to tenants of the Property. The City agrees to deliver to Grantee, or cause HUD to deliver to Grantee, the security deposits currently held by the current owner, but does not represent or warrant that these are the amounts due to such tenants.**

**Grantee also acknowledges and agrees that it shall acquire the Property without any credit or proration for real estate taxes, whether currently due and payable, or accrued but not yet due and payable (e.g., the 2005 general real estate taxes, due and payable in 2006), and that Grantee shall be responsible for the payment of all such real estate taxes.**

Grantee's acquisition of the Property shall occur on the closing date of HUD's conveyance to the City under the HUD Contract (such date, the "Initial Closing Date") at HUD's offices at 77 West Jackson Boulevard, Chicago, Illinois, or at such other location as HUD may designate. provided, however, in no event shall the Closing occur unless and until the Grantee has satisfied all conditions precedent set forth in Section 5.

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## SECTION 5. CONDITIONS TO THE CITY'S OBLIGATIONS

The obligations of the City to cause the ultimate conveyance of the Property to Grantee are contingent upon Grantee's delivery to DOH, and DOH's approval prior to the Initial Closing Date, of each of the following:

- A. Insurance. Evidence of insurance reasonably acceptable to DOH. The City shall be named as an additional insured on all liability insurance policies and as a loss payee (subject to the prior rights of any first mortgagee) on all property insurance policies
- B. Project Budget and Cash Flow Statements. A Project budget and cash flow statement setting forth Grantee's estimates of (i) the cost of any emergency repairs (i.e., repairs that need to be done before Grantee's permanent financing is in place to address immediately health and safety issues) ("Emergency Repairs"), (ii) any initial operating losses (i.e., negative cash flow prior to the time that Grantee's rehabilitation work, new construction work, as applicable, is complete, all tenant vacancies have been filled, and Project income has stabilized) ("Initial Operating Losses"), and (iii) the cost of required rehabilitation work (or new construction work, as applicable) that must be performed under the HUD Contract or otherwise to bring the Property into compliance with all applicable Laws (as defined in Section 6) and into a tenantable condition, which work is generally described in Schedule 1.D (such work, the "Required Work"), or such other budget and cash flow statement as shall be acceptable to DOH.
- D. Organizational and Authority Documents. If Grantee is an entity and not a natural person, copies of a good standing certificate or certificate of existence, certified copies of Grantee's organizational documents, Grantee's bylaws, partnership agreement or operating agreement, as applicable, shareholder, partner or member consents (to the extent required under such entity documents) and an officer's, general partner's or manager/managing member's certificate identifying the persons authorized to act on behalf of the legal entity and including specimen signatures.
- E. Reconveyance Deed. A reconveyance deed reconveying the Property to the City, which the City shall hold in trust as security for the Grantee's performance of the HUD Obligations and its other obligations under this Agreement. In addition, the City may also require that the Grantee deposit reconveyance deeds reconveying the Property to Community Initiatives, Inc. and HUD which the City shall also hold in trust as security and which the City, at its election, may record in lieu of the reconveyance deed to the City.
- F. Other Documents. Such other documents as may be required under the HUD Contract or the UGA or that the City may reasonably require.



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If any conditions in this Section 5 have not been satisfied to the City's reasonable satisfaction within the time period provided for herein, the City may, at its option, terminate this Agreement, in which event this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder, or delay the Closing until such time as the Grantee complies with this Section 5.

## SECTION 6. PERMANENT FINANCING AND CONSTRUCTION REQUIREMENTS.

Due to HUD's requirement that the conveyance of the Property occur as soon as possible, the City has agreed to permit the conveyance of the Property to the Grantee before the Grantee has its permanent financing for the Project in place. Grantee covenants, however, that it shall have such permanent financing in place no later than ninety (90) days after the date of the HUD Contract (such outside date, the "Financing Closing Date"). Grantee acknowledges and agrees that if such permanent financing is not in place by the Financing Closing Date, HUD has the right, under the HUD Contract, to replace Grantee as the developer for the Property. In such event, Grantee shall be required to reconvey the Property to the City pursuant to the reconveyance deed(s) deposited by the Grantee pursuant to Section 5.E above, and the City shall be entitled to record such reconveyance deed. In the event of such reconveyance, the City shall, after reimbursing itself for all Transaction Costs due and owing, refund any remaining portion of the Transaction Costs Deposit, if any, to the Grantee.

Prior to the Financing Closing Date, the Grantee shall provide to DOH, and DOH shall review and approve:

- A. Site Drawings or Plans and Specifications. Site drawings, plans and specifications for the Project ("Drawings"). After DOH approval of such Plans and Specifications, no material deviation from the Drawings may be made without the prior written approval of DOH.
- B. General Contract. The general contract for the Required Work.
- C. Sworn Statements. Owner's and contractor's sworn statements for the Required Work.
- D. Updated Project Budget and Cash Flow Statements. Updated Required Work budget and cash flow statements, comparable to those described in Section 5.B.
- E. Financing. Evidence of equity and debt financing constituting "Permitted Financing" under the UGA and otherwise acceptable to DOH.
- F. Bond or Letter of Credit. The payment and performance bond or letter of credit required under the HUD Contract and the UGA.
- G. Other Documents. Such other documents as may be required under the HUD Contract or the UGA or that the City may reasonably require.

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The City shall not be required to pay any portion of the cost of the Required Work. The City shall have the right to approve any streetscaping provided by the Grantee as part of the Required Work, including, without limitation, any paving of sidewalks, landscaping and lighting.

"Laws" shall mean and include all federal, state and local laws, statutes, ordinances, rules, regulations, OMB Circulars, and executive orders as are now or may be in effect during the term of the Agreement, which may be applicable to the Grantee, the Required Work, and the Grantee's obligations under this Agreement, including but not limited to: (i) the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. Section 4831(b); (ii) the Contract Work Hours and Safety Standards Act, 40 U.S.C. Section 327 et seq., as supplemented by U.S. Department of Labor regulations at 29 C.F.R. Part 5; (iii) the Copeland "Anti-kickback" Act, 18 U.S.C. Section 874, as supplemented by U.S. Department of Labor regulations at 29 C.F.R. Part 3; (iv) Section 104(g) of the Housing and Community Development Act of 1974, 42 U.S.C. Section 5301 et seq., and 24 C.F.R. Part 58; (v) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. Section 794 and implementing regulations at 24 C.F.R. Part 8, Subpart C; (vi) 24 C.F.R. Part 24; (vii) the Americans with Disabilities Act of 1990, Public Law 101-336 dated July 26, 1990; (viii) the Fair Housing Amendments Act of 1988, Public Law 100-430 dated September 13, 1988; (ix) the David-Bacon Act (unless determined by HUD to be inapplicable); (x) the City of Chicago Landlord - Tenant Ordinance, Municipal Code of Chicago, Chapter 5-12; and (xi) all environmental laws, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement.

## SECTION 7. LIMITED APPLICABILITY.

DOH's approval of the Drawings is for the purposes of this Agreement only and does not constitute the approval required by the City's Department of Construction and Permits ("DCAP") or any other City department; nor does DOH's approval pursuant to this Agreement constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the Property, or their compliance with the HUD Contract, the UGA, any covenants and restrictions of record, or any agreement affecting the Property or any part thereof.

## SECTION 8. COMMENCEMENT AND COMPLETION OF IMPROVEMENTS.

The Grantee shall commence any Emergency Repairs immediately upon acquiring title to the Property and shall thereafter diligently proceed to complete such Emergency Repairs. The Grantee shall commence the Required Work no later than the Financing Closing Date and thereafter diligently proceed to complete such Required Work. Although the Grantee may, pursuant to Section 30 below, request that the City allocate and disburse to it Grant Funds for such Emergency Repairs and such Required Work, Grantee shall be obligated to perform such work notwithstanding HUD's failure to fund such Grant Funds, or any delay in the funding of such Grant Funds. The Grantee shall complete the Required Work (as evidenced by the issuance of a Certificate of Completion) no later than the date that is 24 months after the date of Grantee's acquisition of the Property.

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The Required Work shall be constructed in accordance with the HUD Obligations, this Agreement, the Drawings and all applicable Laws.

## SECTION 9. CERTIFICATE OF COMPLETION.

Upon the completion of the Required Work, the Grantee shall request from the City a certificate of completion ("Certificate of Completion"). The Certificate of Completion shall not be a substitute for any close-out certification required by HUD under the HUD Contract.

## SECTION 10. RESTRICTIONS ON USE.

The Grantee agrees that it:

10.1 Shall devote the Property to a use which complies with the Midwest Tax Increment Financing Redevelopment Project and Plan adopted by the City Council of the City pursuant to ordinances adopted on May 17, 2000 until the Redevelopment Plan expires; and

10.2 Shall not discriminate based upon race, color, religion, sex, gender identity, disability, marital status, parental status, national origin or ancestry, military discharge status, sexual orientation, source of income, age or handicap, in the sale, lease, rental, use or occupancy of the Property; and

10.3 Shall comply with all obligations of the "Grantee" and the "Subsequent Owner" under the HUD Contract, the HUD Deed Restrictions, and the UGA, to the extent applicable to the Property. **GRANTEE ACKNOWLEDGES THAT THE FOREGOING RESTRICTIONS SHALL, AMONG OTHER THINGS, (A) OBLIGATE THE GRANTEE TO MAINTAIN THE PROPERTY AS AFFORDABLE HOUSING FOR A PERIOD OF TWENTY (20) YEARS, DURING WHICH TIME THE RESIDENTIAL UNITS AT THE PROPERTY SHALL BE RENTED ONLY TO INCOME-QUALIFIED HOUSEHOLDS AT RESTRICTED RENTS, AND (B) LIMIT THE NET PROCEEDS THAT THE GRANTEE MAY RETAIN UPON ANY PERMITTED SALE OR REFINANCING OF THE PROPERTY.**

The Grantee acknowledges and agrees that the use restrictions set forth in this Section 10 constitute material, bargained for consideration for the City and that, but for such use restrictions, HUD would not have agreed to convey the Property to the City, and the City would not have agreed to convey the Property to the Grantee.

## SECTION 11. PROHIBITION AGAINST TRANSFER OF PROPERTY.

Prior to the issuance of the Certificate of Completion, the Grantee may not, without the prior written consent of DOH, which consent shall be in DOH's sole discretion: (a) directly or indirectly sell or convey the Property or any part thereof or any interest therein or the Grantee's controlling interests therein; or (b) directly or indirectly assign this Agreement. If the Grantee is a business entity, no principal party of the Grantee (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the Grantee prior to the issuance of



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the Certificate of Completion to anyone other than another principal party of the Grantee without the prior written consent of DOH, which consent shall be in DOH's sole discretion. The Grantee must disclose the identity of all limited partners to the City at the time such limited partners obtain an interest in the Grantee. In the event of a proposed sale, the Grantee shall provide DOH copies of any and all sales contracts, legal descriptions, descriptions of intended use, certifications from the proposed buyer regarding this Agreement and such other information as the City may reasonably request. The proposed buyer must be qualified to do business with the City (including, without limitation, the anti-scofflaw requirement).

Any transfer of the Property shall be subject to HUD Contract, including, without limitation, the equity participation requirements in Rider 9 thereto, which are also included in the HUD Deed Restrictions.

## **SECTION 12. LIMITATION UPON ENCUMBRANCE OF PROPERTY.**

Prior to the issuance of the Certificate of Completion, the Grantee shall not, without DOH's prior written consent, which shall be in DOH's sole discretion, engage in any financing or other transaction which creates an encumbrance or lien on the Property, except for the initial construction financing approved by DOH pursuant to Section 5.2 hereof.

Any refinancing of the Property shall be subject to the HUD Contract, including, without limitation, the equity participation requirements in Rider 9 thereto, which are also included in the HUD Deed Restrictions.

## **SECTION 13. MORTGAGEES NOT OBLIGATED TO CONSTRUCT.**

The holder of any mortgage on the Property approved pursuant to Section 6.E hereof shall not itself be obligated to construct or complete the Required Work but shall be bound by the covenants running with the land specified in Section 14. If any such mortgagee succeeds to the Grantee's interest in the Property prior to issuance of a Certificate of Completion, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property to another party, such transferee shall be obligated to complete the Required Work, and shall also be bound by all other obligations of the Grantee under this Agreement.

## **SECTION 14. COVENANTS RUNNING WITH THE LAND.**

The parties agree that in addition to the HUD Obligations, the covenants provided in Sections 8 (Commencement and Completion of Improvements), 10 (Restrictions on Use), 11 (Prohibition Against Transfer of Property) and 12 (Limitation Upon Encumbrance of Property) will be covenants running with the land, binding on the Grantee and its successors and assigns (subject to the limitation set forth in Section 13 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. The covenants provided in Section 8 shall terminate upon the issuance of the Certificate of Completion. The covenant contained in Section 10.1 shall terminate when the Redevelopment Plan expires; the covenant contained in Section 10.2 shall have no limitation

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as to time. The covenants provided in Sections 10.3, 11 and 12 shall expire when the HUD Obligations expire.

## **SECTION 15. PERFORMANCE AND BREACH.**

15.1 Time of the Essence. Time is of the essence in the Grantee's performance of its obligations under this Agreement.

15.2 Permitted Delays. The Grantee shall not be considered in breach of its obligations under this Agreement in the event of "force majeure" delays due to unforeseeable causes beyond the Grantee's control and without the Grantee's fault or negligence. The time for the performance of the obligations shall be extended only for the period of the delay. This Section 15.2 shall not operate to excuse the performance of any action required under the HUD Contract or the UGA unless HUD similarly consents to an extension of time.

15.3 Cure. If the Grantee defaults in the performance of its obligations under this Agreement, including any obligation under the HUD Contract or the UGA that is incorporated herein by reference, the Grantee shall have the lesser of (a) the cure period provided for under the HUD Contract or UGA applicable to such default, or (b) sixty (60) days after written notice of default from the City to cure the default. Notwithstanding the foregoing, no notice or cure period shall apply to defaults under Sections 15.4 (d) or (f).

15.4 Event of Default. The occurrence of any one or more of the following, which is not cured within the cure period provided for in Section 15.3, shall constitute an "Event of Default" under this Agreement:

(a) The Grantee fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations under this Agreement, including any obligation under the HUD Contract or the UGA that is incorporated herein by reference; or

(b) The Grantee makes or furnishes a warranty, representation, statement or certification to the City (whether in this Agreement, an Economic Disclosure Statement, or another document) that is not true and correct; or

(c) A petition is filed by or against the Grantee under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing, which is not vacated, stayed or set aside; or

(d) The Grantee abandons or substantially suspends completion of the Required Work; or

(e) The Grantee fails to timely pay real estate taxes or permits any levy or attachment, lien, or any other encumbrance unauthorized by this Agreement to attach to the Property; or

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(f) The Grantee makes an assignment, pledge, unpermitted financing, encumbrance, transfer or other disposition in violation of this Agreement; or

(g) There is a change in Grantee's financial condition or operations that would materially affect the Grantee's ability to complete the Required Work.

15.5. Remedies. If an Event of Default occurs prior to the issuance of the Certificate of Completion, and the default is not cured in the time period provided for herein, the City may exercise any and all remedies available to it at law or in equity, including, without limitation, the right to record the reconveyance deed, re-enter and take possession of the Property, terminate the estate conveyed to the Grantee, and revest title to the Property in the City; provided, however, the revesting of title in the City shall be limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. Notwithstanding the foregoing, after the issuance of a Certificate of Completion, the City's right of reconveyance shall no longer be enforceable, but the City shall be entitled to all other remedies, including, without limitation, specific enforcement of the covenants that run with the land. In addition to the foregoing remedies, the City shall be entitled to specifically enforce any of the HUD Deed Restrictions and shall be entitled to recover from Grantee any costs incurred by the City in complying with such restrictions.

15.5 Reimbursement of City from Transfer Proceeds. If, as a result of the City's exercise of its remedies, the City reacquires title to the Property, or causes title to the Property to be conveyed to a new developer, the net transfer proceeds from any such transfer of the Property shall be utilized to reimburse the City for:

(a) costs and expenses incurred by the City (including, without limitation, salaries of personnel) in connection with the recapture, management and resale of the Property (less any income derived by the City from the Property in connection with such management); and

(b) all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and

(c) any payments made (including, without limitation, reasonable attorneys' fees and court costs) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Grantee; and

(d) any expenditures made or obligations incurred with respect to construction or maintenance of the Required Work; and

(e) any other amounts owed to the City by the Grantee; and

(f) any reserves that the City, in its sole discretion, determines should be established to assure the continued operation of the Property in accordance with the HUD Obligations and this Agreement.

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The Grantee shall be entitled to receive any remaining proceeds up to the amount of the Grantee's equity investment in the Property.

15.6 Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive the City of or limit such rights in any way. No waiver made by the City with respect to any specific default by the Grantee shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of the Grantee.

## **SECTION 16. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.**

The Grantee warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement or the Property, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any entity or association in which he or she is directly or indirectly interested. No agent, official or employee of the City shall be personally liable to the Grantee or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Grantee or successor or on any obligation under the terms of this Agreement.

## **SECTION 17. INDEMNIFICATION.**

The Grantee agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with: (a) the failure of the Grantee to perform its obligations under the HUD Obligations or under this Agreement; (b) the failure of the Grantee or any contractor to pay contractors, subcontractors or material suppliers in connection with the construction of the Required Work; (c) any misrepresentation or omission made by the Grantee or agents, employees, contractors or other persons acting under the control or at the request of Grantee; (d) the failure of the Grantee to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (e) any activity undertaken by the Grantee on the Property prior to or after the Closing. This indemnification shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

## **SECTION 18. ENVIRONMENTAL MATTERS.**

The City makes no covenant, representation or warranty as to the environmental condition of the Property or the suitability of the Property for any purpose whatsoever, and the Grantee agrees to accept the Property "as is."

If the environmental condition of the Property is not in all respects entirely suitable for its intended use, it shall be the Grantee's sole responsibility and obligation to take such action as is necessary to put the Property in a condition which is suitable for its intended use. The Grantee hereby waives, releases and indemnifies the City from any claims and liabilities relating to or

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arising from the environmental condition of the Property, including, without limitation, claims arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), and shall undertake and discharge all liabilities of the City arising from any environmental condition which existed on the Property prior to the Closing, including, without limitation, liabilities arising under CERCLA. The provisions of this paragraph shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

## SECTION 19. GRANTEE’S EMPLOYMENT OBLIGATIONS.

19.1 Employment Opportunity. The Grantee agrees, and shall contractually obligate its various contractors, subcontractors and any affiliate of the Grantee operating on the Property (collectively, the “Employers” and individually, an “Employer”) to agree that with respect to the provision of services in connection with the construction of the Required Work or occupation of the Property:

(a) Neither the Grantee nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, gender identity, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Section 2-160-010 et seq. of the Municipal Code of Chicago, as amended from time to time (the “Human Rights Ordinance”). The Grantee and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon the foregoing grounds, and are treated in a non-discriminatory manner with regard to all job-related matters, including, without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee and each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Grantee and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon the foregoing grounds.

(b) To the greatest extent feasible, the Grantee and each Employer shall present opportunities for training and employment of low and moderate income residents of the City, and provide that contracts for work in connection with the construction of the Required Work be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the City.

(c) The Grantee and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance, and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.



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(d) The Grantee, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) The Grantee and each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the construction of the Required Work, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 19.1 shall be a basis for the City to pursue remedies under the provisions of Section 15.

## 19.2 City Resident Employment Requirement.

(a) The Grantee agrees, and shall contractually obligate each Employer to agree, that during the construction of the Required Work, it and they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code of Chicago (at least fifty percent of the total worker hours worked by persons on the construction of the Required Work shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Grantee and each Employer shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

(b) The Grantee and the Employers may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City of Chicago.

(c) "Actual residents of the City of Chicago" shall mean persons domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(d) The Grantee and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the construction of the Required Work. The Grantee and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) The Grantee and the Employers shall submit weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) to DOH in triplicate, which shall identify clearly the actual residence of every employee on each submitted

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certified payroll. The first time that an employee's name appears on a payroll, the date that the Grantee or Employer hired the employee should be written in after the employee's name.

(f) The Grantee and the Employers shall provide full access to their employment records to the Chief Procurement Officer, DOH, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Grantee and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years from and after the issuance of the Certificate of Completion.

(g) At the direction of DOH, the Grantee and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of the Grantee and the Employers to provide work for actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) If the City determines that the Grantee or an Employer failed to ensure the fulfillment of the requirements of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 15.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Grantee and for the Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Grantee and/or the other Employers or employees to prosecution.

(j) Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

(k) The Grantee shall cause or require the provisions of this Section 19.2 to be included in all construction contracts and subcontracts related to the construction of the Required Work.

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19.3 Grantee's MBE/WBE Commitment. The Grantee agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the general contractor to agree that during the construction of the Required Work:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 19.3, during the course of construction of the Required Work, at least 24% of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses ("MBEs") and at least 4% of the aggregate hard construction costs shall be expended for contract participation by women-owned businesses ("WBEs").

(b) For purposes of this Section 19.3 only:

(i) The Grantee (and any party to whom a contract is let by the Grantee in connection with the Required Work) shall be deemed a "contractor" and this Agreement (and any contract let by the Grantee in connection with the Required Work) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(ii) The term "minority-owned business" or "MBE" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(iii) The term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Grantee's MBE/WBE commitment may be achieved in part by the Grantee's status as an MBE or WBE (but only to the extent of any actual work performed on the Required Work by the Grantee) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint

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venture, or (ii) the amount of any actual work performed on the Required Work by the MBE or WBE); by the Grantee utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Required Work by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the construction of the Required Work to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Required Work from one or more MBEs or WBEs; or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Grantee's MBE/WBE commitment as described in this Section 19.3. In accordance with Section 2-92-730, Municipal Code of Chicago, the Grantee shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of DOH.

(c) The Grantee shall deliver quarterly reports to the City's monitoring staff during the construction of the Required Work describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Grantee or the general contractor to work on the Required Work, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction of the Required Work, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Grantee's compliance with this MBE/WBE commitment. The Grantee shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the construction of the Required Work for at least five years after completion of the Required Work, and the City's monitoring staff shall have access to all such records maintained by the Grantee, on prior notice of at least five business days, to allow the City to review the Grantee's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Required Work.

(e) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if the disqualified party misrepresented such status, the Grantee shall be obligated to discharge or cause to be discharged the disqualified general contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Grantee's MBE/WBE commitment as described in this Section 19.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the construction of the Required Work, the Grantee shall meet with the City's monitoring staff with regard to the Grantee's compliance with its obligations under this Section 19.3. The general contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Grantee shall demonstrate to the City's monitoring staff its plan to

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achieve its obligations under this Section 19.3, the sufficiency of which shall be approved by the City's monitoring staff. During the construction of the Required Work, the Grantee shall submit the documentation required by this Section 19.3 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements (unless such prevailing wage requirements are determined by the Corporation Counsel of the City to be inapplicable to the Required Work); (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; and (vii) evidence that MBE/WBE contractor associations have been informed of the Required Work via written notice and hearings. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Grantee is not complying with its obligations under this Section 19.3, shall, upon the delivery of written notice to the Grantee, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Grantee to halt the Required Work, (2) withhold any further payment of any City funds to the Grantee or the general contractor, or (3) seek any other remedies against the Grantee available at law or in equity.

## **SECTION 20. HEADINGS.**

The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms and provisions hereof.

## **SECTION 21. ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement between the parties and supersedes and replaces completely any prior agreements between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended in any manner other than by supplemental written agreement executed by the parties. The Commissioner of DOH, without further action of the City Council, but subject to the approval of the Corporation Counsel, shall have the right to execute such amendments to this Agreement as may be necessary, appropriate or desirable to implement the purposes and objectives of this Agreement, including amendments in connection with a "work-out" of the Agreement and transfer of the Property (or a portion thereof) to a new developer.

## **SECTION 22. SEVERABILITY.**

If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid, the remainder of this Agreement shall be construed as if such invalid part were never included and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

## **SECTION 23. NOTICES.**



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Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City:	City of Chicago Department of Housing 33 North LaSalle Street Chicago, Illinois 60602 Attention: Commissioner
With copies to:	City of Chicago Department of Law 30 North LaSalle Street, Suite 1610 Chicago, Illinois 60602 Attn: Real Estate and Land Use Division
And to:	City of Chicago Department of Law 111 N. LaSalle Street, Room 600 Chicago, Illinois 60602
If to the Grantee:	To the Address in Schedule 1.B

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

## **SECTION 24. ORGANIZATION AND AUTHORITY.**

The Grantee represents and warrants that it is a duly organized and validly existing legal entity under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and that the person signing this Agreement on behalf of the Grantee has the authority to do so.

## **SECTION 25. SUCCESSORS AND ASSIGNS.**

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Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

## **SECTION 26. RECORDATION OF AGREEMENT.**

This Agreement shall be recorded at the Office of the Cook County Recorder of Deeds prior to or as part of the Closing. Grantee shall pay the recording fees.

## **SECTION 27. COUNTERPARTS.**

This Agreement may be executed in counterparts, each of which shall constitute an original instrument.

## **SECTION 28. GOVERNING LAW.**

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

## **SECTION 29. PATRIOT ACT CERTIFICATION.**

Neither Grantee nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

As used in the above paragraph, an "Affiliate" shall be deemed to be a person or entity related to Grantee that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Grantee, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

## **SECTION 30. HUD GRANT FUNDS**

Subject to the terms and conditions of the UGA, upon Grantee's written election (which may not be made if Grantee instead elects to accept project-based rental assistance), the City agrees to make available to the Grantee a portion of the Grant Funds, in an amount determined by the City, but in no event in excess of Forty Thousand Dollars (\$40,000) per residential unit located on (or to be constructed on) the Property, for use in the rehabilitation (or new construction, as applicable) of residential units on the Property. Such availability, and the disbursement of such Grant Funds, shall be governed by the UGA. The UGA provides that, among other conditions, such Grant Funds: (a) may only be used for certain specified cost categories (UGA Article I.A); (b) shall not be disbursed until the Financing Closing Date (UGA

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Article III.A and Article III.D); (c) are subject to certain draw request procedures and required documents (Article VII); (d) must be funded proportionately with Grantee's other sources of equity and debt financing (Article XI.B); and (e) are subject to recapture if improperly spent (Article XVI.C.5). The foregoing recitation of UGA obligations is only intended to highlight certain key requirements and the Grantee shall be bound to comply with all of the obligations of the UGA, the terms and conditions of which are incorporated herein by reference as if fully set forth herein, as if the Grantee was a direct party to such UGA.

In connection with the disbursement of Grant Fund, at the City's election, the City may require that such Grant Funds, together with the Grantees other sources of equity and debt financing, be disbursed through a construction escrow agreement in form and substance reasonably acceptable to the Commissioner of DOH and the Corporation Counsel.

## **SECTION 31. MAINTENANCE OF RECORDS; RIGHT TO INSPECT**

The Grantee shall keep and maintain such books, records and other documents as shall be required by the City and HUD to reflect and disclose fully the amount and disposition of the total cost of activities paid for in whole or in part, with the Grant Funds, and the nature of all activities of the Grantee in connection with the Property which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of the Grantee for inspection, copying (including excerpts and transcriptions), audit and examination at all reasonable times by any authorized representatives of the City and HUD. Any authorized representative of the City or of HUD shall, at all reasonable times, have access to all portions of the Property.

## **SECTION 32. NO BUSINESS RELATIONSHIP WITH CITY ELECTED OFFICIALS**

Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement or in connection with the transactions contemplated thereby, shall be grounds for termination of this Agreement and the transactions contemplated thereby. The Grantee hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

## **SECTION 33. JOINT AND SEVERAL LIABILITY**

In the event that more than one person or entity has signed this Agreement on behalf of the Grantee, the obligations of such signatories under this Agreement shall be joint and several.

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## SECTION 34. NON-LIABILITY OF PUBLIC OFFICIALS

Grantee and any assignee or contractor of Grantee must not charge any official, employee or agent of the City personally with any liability or expenses of defense or hold any official, employee or agent of the City personally liable to them under any term or provision of this Agreement or because of the City's execution or any breach of this Agreement.

## SECTION 35. PROHIBITION ON CERTAIN CONTRIBUTIONS - MAYORAL EXECUTIVE ORDER NO. 05-1.

Consistent with the intent of Mayoral Executive Order No. 05-1, compliance with the substance of which is intended by this Section 35, the Grantee hereby agrees that the Grantee, any person or entity who directly or indirectly has an ownership or beneficial interest in the Grantee of more than 7.5 percent, the General Partner or Managing Member, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Partner or Managing Member of more than 7.5 percent, Owner, any person or entity who directly or indirectly has an ownership, beneficial or other controlling interest in Owner of more than 7.5 percent (collectively, "Controlling Owners"), spouses and domestic partners of such Controlling Owners, (collectively, all the preceding classes of persons and entities are hereinafter referred to as the "Ownership Parties") shall not make a contribution of any amount to the Mayor of the City ("Mayor") or to his political fundraising committee (i) after execution of this Agreement by the Grantee, and (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between the Grantee and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

The Grantee hereby agrees to require that the General Contractor, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Contractor of more than 7.5 percent, any Subcontractor, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5 percent (collectively, "Interested Parties"), and spouses and domestic partners of such Interested Parties (collectively, all the preceding classes of persons and entities are hereinafter referred to, together with the Ownership Parties, as the "Identified Parties") shall not make a contribution of any amount to the Mayor or to his political fundraising committee (i) after execution of this Agreement by the Grantee, and (ii) while the Construction Contract or any Subcontract is executory, (iii) during the term of the Construction Contract or any Subcontract, or (iv) during any period while an extension of the Construction Contract or any Subcontract is being sought or negotiated.

The Grantee represents and warrants that as of the later of (i) February 10, 2005, or (ii) the date that the City approached the Grantee, or the Grantee approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

The Grantee agrees that it shall not and it shall require all other Identified Parties to not:

(a) coerce, compel or intimidate its employees to make a contribution of any amount to the

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Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Grantee agrees that it must not and it shall require all other Identified Parties to not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1. The Grantee shall impose the restrictions of this Section 32 in the Construction Contract and shall specifically require the General Contractor to impose the restrictions of this Section 32 in all Subcontracts.

The Grantee agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source that are then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City to which the Grantee is a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  1. The partners have been residing together for at least 12 months.



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2. The partners have common or joint ownership of a residence.
3. The partners have at least two of the following arrangements:
  - a. joint ownership of a motor vehicle;
  - b. a joint credit account;
  - c. a joint checking account;
  - d. a lease for a residence identifying both domestic partners as tenants.
4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

## **SECTION 36. HAP CONTRACTS.**

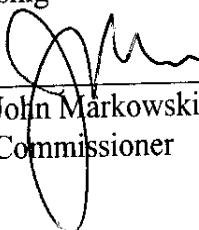
Grantee agrees to take all necessary actions to assume and comply with all obligations of the Short-Term HAP Contract and, if applicable, the Continuing HAP Contract, and any further documents or requirements needed to effectuate such assumption and compliance.

**SECTION 37. CHRONICALLY HOMELESS PERSONS RIDER.** Notwithstanding Rider 2 of the HUD Deed Restrictions, the City acknowledges that the City, and not the Grantee under this Agreement, shall be responsible for satisfying the chronically homeless person housing requirements set forth in such Rider 2.

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

**CITY OF CHICAGO**, an Illinois municipal corporation, acting by and through its Department of Housing

By:   
\_\_\_\_\_  
John Markowski  
Commissioner

**GRANTEE SIGNATURE BLOCK APPEARS ON SCHEDULE 1**

This instrument was prepared by,  
and after recording, please return to:

Steve Holler  
Chief Asst. Corp. Counsel  
Real Estate and Land Use Division  
30 N. LaSalle Street, Suite 1610  
Chicago, Illinois 60602  
PH: (312) 744-6934

Property of Cook County Clerk's Office

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## Schedule 1

- 1.A Grantee: For Christ Ministries, an Illinois not-for-profit corporation
- 1.B Grantee's Address: 914 N. Orleans Street, Chicago, Illinois 60610
- 1.C Number of Residential Units: 9
- 1.D Required Work: See Attachments (HUD Required Work Plus Work Required to Resolve Building Code Violations)

The undersigned Grantee has executed the foregoing Redevelopment Agreement as of this 21st day of December, 2005

FOR CHRIST MINISTRIES, an Illinois not-for-profit corporation

By: *Vernesta T. Austin*  
Vernesta T. Austin, President

(SCHEDULE 1 PARAGRAPH 1.D ATTACHMENTS WERE NOT ATTACHED FOR RECORDING PURPOSES)

Property of Cook County Clerk's Office

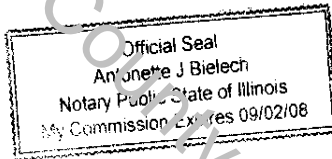
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STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF COOK )

I, Antoinette Bielech, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John Markowski, personally known to me to be the Commissioner of Planning and Development of the City of Chicago, an Illinois municipal 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, being first duly sworn by me, acknowledged that, as the Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as his free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 20th day of December, 2005.

Antoinette Bielech  
NOTARY PUBLIC



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STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK )

I, Sharon A. King, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Vernestra A. Smith personally known to me to be the President of For Christ Ministries Inc. a non for profit, 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, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by said corporation, as 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 notarial seal this 21 day of December, 2005.

Sharon A. King  
NOTARY PUBLIC





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## EXHIBIT A

### LEGAL DESCRIPTIONS

(Douglas Lawndale Apartments - For Christ Ministries Parcels)

Parcel 5:

A. Lot 31 in Block 5 of Goodwin's Subdivision of the North West Quarter of the North East Quarter

PIN: 16-23-208-018

Address: 3542 W. Douglas Lot Size: 188'X25'

Parcel 6:

B. Lot 32 in Block 5 of Goodwin's Subdivision of the North West Quarter of the North East Quarter

PIN: 16-23-208-019

Address: 3540 W. Douglas Lot Size: 188'X25'

Parcel 7:

C. Lot 31 in Block 5 of Goodwin's Subdivision of the North West Quarter of the North East Quarter

PIN: 16-23-208-023

Address: 3528 W. Douglas Lot Size: 188'X25'

Parcel 8:

D. Lots 33 and 34 in Block 5 of Goodwin's Subdivision of the North West Quarter of the North East Quarter

PIN: 16-23-208-020

Address: 3536-38 W. Douglas Lot Size: 188'X50'