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Cook County Recorder of Deeds  
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## AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND

(The Above Space For Recorder's Use Only)

This **AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND**, as may be amended from time to time, ("Agreement") is made on or as of the 18<sup>th</sup> day of May, 2010, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("City"), acting by and through its Department of Community Development ("DCD"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, and **RK DEVELOPMENT PROPERTIES, LLC**, an Illinois limited liability company ("Developer"), located at 13808 High Road, Lockport, Illinois 60441.

### RECITALS

**WHEREAS**, the Developer desires to purchase from the City two vacant parcels of real property located at 5147 and 5151 South Ashland Avenue, Chicago, Illinois (the "Property"), which real property is legally described on Exhibit A attached hereto; and

**WHEREAS**, the Property is located in a redevelopment area known as the 47th/Ashland Tax Increment Financing Redevelopment Project Area ("Redevelopment Area") established pursuant to an ordinance adopted by the City Council on March 27, 2002 and published at pages 81473-81625 of the Journal of the Proceedings of the City Council (the "Journal") of such date; and

**WHEREAS**, the Developer intends to develop a two story 10,180 square foot family health center on the Property, as more fully described on Exhibit B attached hereto (hereinafter referred to as the "Project"), which improvements are consistent with the 47th/Ashland Redevelopment Plan ("Redevelopment Plan") for the Redevelopment Area; and

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**WHEREAS**, by Resolution No. 09-CDC-56, adopted on October 13, 2009, the Community Development Commission ("Commission") authorized the DCD to advertise its intention to enter into a negotiated sale with the Developer for the redevelopment of the Property, approved the DCD's request to advertise for alternative proposals, and recommended that the City Council approve the sale of the Property to the Developer if no alternative proposals were received without further Commission action; and

**WHEREAS**, the City Council, pursuant to an ordinance adopted on November 25, 2009, and published at pages 78529 through 78560 in the Journal of the Proceedings of the City Council of such date (the "Ordinance"), authorized the sale of the Property to the Developer, subject to the execution, delivery and recording of this Agreement; and

**WHEREAS**, the appraised market value ("Appraised Market Value") of the Property is One Hundred Sixteen Thousand and No/Dollars (\$116,000); and

**WHEREAS**, the City is willing to sell the Property to the Developer for the purchase price of Sixty Thousand and No/Dollars (\$60,000) in consideration of the Developer's fulfillment of its obligations under this Agreement; and

**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:

## **SECTION 1. INCORPORATION OF RECITALS.**

The foregoing recitals set forth above 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. PURCHASE PRICE.**

Subject to the terms, covenants and conditions of this Agreement, the City agrees to sell the Property to the Developer, and the Developer agrees to purchase the Property from the City for Sixty Thousand and No/Dollars (\$60,000) ("Purchase Price") to be paid by cashier's or certified check, on the Closing Date (defined in Section 3). All other closing costs, including all title charges, shall be borne by Developer.

## **SECTION 3. EARNEST MONEY.**

3.1 Earnest Money. The Developer has previously deposited with the City an earnest money deposit in the amount of Two Thousand Nine Hundred and No/100 Dollars (\$2,900) ("Earnest Money"), plus Two Thousand One Hundred and No/100 Dollars (\$2,100) for the cost of the property appraisal, both of which shall be credited against the Purchase Price at the Closing.

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3.2 Performance Deposit. The Developer has previously deposited with the City a performance deposit in the amount of Two Thousand Nine Hundred and No/100 Dollars (\$2,900) ("Performance Deposit"), which shall be held by the City to secure the performance of Developer's obligations under this Agreement.

3.3 Interest. The City will pay no interest to the Developer on the Earnest Money or Performance Deposit.

## SECTION 4. CLOSING.

The closing of the transfer of the Property from the City to the Developer ("Closing") shall take place at the downtown offices of Greater Illinois Title Company, 120 North LaSalle Street, Chicago, Illinois 60602 or such other reputable title company as may be selected by the Developer (the "Title Company"), within fourteen (14) days after the Developer has applied for all necessary building permits and zoning approvals, as required pursuant to Section 7, or on such date as the parties mutually agree upon in writing (the "Closing Date"); provided, however, in no event shall the Closing occur (1) until and unless the conditions precedent set forth in Section 9 are all satisfied, unless DCD, in its sole discretion waives such conditions; and (2) any later than June 1, 2010 (the "Outside Closing Date"), unless DCD, in its sole discretion, extends the Outside Closing Date for an additional six (6) months from the Outside Closing Date. At the Closing, the City shall deliver to the Developer (a) the Deed (as defined below); (b) all necessary state, county and municipal real estate transfer declarations; and (c) possession of the Property. The Developer will begin construction on the Project within one hundred and twenty (120) days after the Closing, and will complete the Project within twelve (12) months of beginning construction. If this condition is not met, the City may exercise its rights under Section 19 of this Agreement.

## SECTION 5. CONVEYANCE OF TITLE.

5.1 Form of Deed. The City shall convey the Property to the Developer by quitclaim deed (the "Deed"), subject to the terms of this Agreement and the following ("Permitted Exceptions"):

- a. the 47th/Ashland Redevelopment Plan for the Redevelopment Area;
- b. standard exceptions in an ALTA title insurance policy;
- c. general real estate taxes and any special assessments or other taxes;
- d. all easements, encroachments, covenants and restrictions of record and not shown of record that will not adversely affect the use and insurability of the Property for the development of the Project;
- e. such other title defects that will not adversely affect the use and insurability of the Property for the development of the Project.

5.2 Recording Costs. The Developer shall pay to record the Deed, this Agreement, and any other documents incidental to the conveyance of the Property to the Developer.

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5.3 Escrow. If the Developer requires conveyance through escrow, the Developer shall pay all escrow fees.

## SECTION 6. TITLE, SURVEY AND REAL ESTATE TAXES.

6.1 Title Commitment and Insurance. Not less than 30 days before the anticipated Closing Date, the Developer shall order a current title commitment for the Property issued by the Title Company. The Developer shall pay the cost of, and shall be responsible for, obtaining on the Closing Date, any title insurance, extended coverage and any endorsements it deems necessary. The City agrees to provide the Title Company with a completed ALTA owner's statement, and other transfer documents typically required by the Title Company and typically provided by the City (but expressly excluding, however, "gap" undertakings, title indemnities and similar liabilities) at or prior to the Closing (as defined below). At the Closing, the Developer shall deliver to the City a copy of the owner's policy of title insurance that it obtains with respect to the Property it acquired.

6.2 Survey. The Developer will be responsible for obtaining, at Developer's expense, a survey for the Property ("Survey").

6.3 Real Estate Taxes. The City shall use reasonable efforts to obtain the waiver or release of any delinquent real estate taxes or tax liens on the Property prior to the Closing Date, to the extent such taxes or tax liens can be waived or released through submission of an abatement letter to the Cook County Treasurer, a motion to vacate a tax sale or a petition for exemption. If the City is unable to obtain the waiver or release of any such tax liens or is unable to cause the Title Company to insure over such tax liens, or if the Property is encumbered with any other exceptions other than those enumerated in Section 5.1 hereof or disclosed by the Survey ("Unpermitted Exceptions"), the Developer shall have the option to do one of the following: (1) accept title to the Property subject to the Unpermitted Exceptions, which shall then become Permitted Exceptions; or (2) terminate this Agreement by delivery of written notice to the City, in which event this Agreement shall be null and void and, except as otherwise specifically provided herein, neither party shall have any further right, duty or obligation hereunder, except that the City shall immediately return the Earnest Money and Performance Deposit. If the Developer elects not to terminate this Agreement as aforesaid, the Developer agrees to accept title subject to the Unpermitted Exceptions in addition to the Permitted Exceptions. The Developer shall also be responsible for all taxes accruing after the Closing Date.

## SECTION 7. BUILDING PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer shall apply for and obtain all necessary building permits and other required zoning approvals (collectively, the "Governmental Approvals") prior to the Closing Date. Unless waived in writing by DCD, in its sole discretion, evidence of all necessary Government Approvals shall be provided to the City prior to Closing.

## SECTION 8. PROJECT BUDGET AND PROOF OF FINANCING.

The total Project budget is currently estimated to be Three Million Ninety-Two Thousand Seven Hundred Fifty-Five and No/100 Dollars (\$3,092,755.00) (the "Preliminary Project

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Budget"). Prior to the Closing Date, the Developer shall submit to DCD for approval: (1) a final budget which is materially consistent with applicable portions of the Preliminary Project Budget ("the Final Budget"); and (2) evidence of funds adequate to construct the Project ("Proof of Financing").

## SECTION 9. CONDITIONS TO THE CITY'S OBLIGATION TO CLOSE.

Unless waived in writing by DCD, in its sole discretion, the obligations of the City under this Agreement are contingent upon each of the following being satisfied at least seven (7) days prior to the Closing Date, or by such other date as may be specified:

9.1 Final Governmental Approvals. The Developer shall have delivered to the City evidence that it has applied for and received the Governmental Approvals necessary to construct the Project.

9.2 Budget and Proof of Financing. The City shall have approved the Developer's Final Budget and Proof of Financing.

9.3 Simultaneous Loan Closing. On or before the date of the Closing, the Developer shall close the financing necessary for the acquisition and construction of the Project and be in a position to immediately commence construction of the Project within one hundred twenty (120) days of Closing.

9.4 Insurance. The Developer shall provide evidence of insurance reasonably acceptable to the City. Prior to the issuance of the Certificate of Completion, the City shall be named as an additional insured on any liability insurance policies and as a loss payee (subject to the rights of any permitted mortgagee) on any property insurance policies from the Closing Date through the date the City issues the Certificate of Completion (as defined in Section 13). With respect to property insurance, the City will accept an ACORD 28 form. With respect to liability insurance, the City will accept an ACORD 25 form, together with a copy of the endorsement that is added to the Developer's policy showing the City as an additional insured.

9.5 Legal Opinion. The Developer shall have delivered to the City a legal opinion stating, in part, that the Developer has been duly organized and that the Developer is duly authorized to enter into this Agreement. Such opinion shall be in a form and substance reasonably acceptable to the City's Corporation Counsel.

9.6 Due Diligence. The Developer shall have delivered to the City due diligence searches in its name (UCC, State and federal tax lien, pending litigation and judgments in Cook County and the U.S. District Court for the Northern District of Illinois, and bankruptcy) showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the City's Corporation Counsel.

9.7 Organization and Authority Documents. The Developer shall have delivered to the City the certified articles of organization, including all amendments thereto, of the Developer, as furnished and certified by the Secretary of State of the State of Illinois; and any other documents required to complete the transaction contemplated by this Agreement and to perform its obligations under this Agreement; a Certificate of Good Standing dated no more than

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thirty (30) days prior to the Closing Date, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of the Developer; and operating agreement, resolutions and such other organizational documents as the City may reasonably request.

9.8 Subordination Agreement. Prior to recording any mortgage approved pursuant to Section 9.2, the Developer shall deliver to the City a subordination agreement in form and substance acceptable to the City.

9.9 MBE/WBE and Local Hiring Compliance Plan.

a At least fourteen (14) days prior to the Closing Date, the Developer and the Developer's general contractor and all major subcontractors shall meet with staff from the DCD's monitoring section regarding compliance with the MBE/WBE and local hiring requirements set forth in this Agreement pursuant to Section 23 below. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under Section 23 below, the sufficiency of which shall be approved by the City's monitoring staff.

b DCD shall also have approved the Developer's compliance plan in accordance with Section 23.

9.10 Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in this Agreement shall be true and correct.

9.11 Other Obligations. On the Closing Date, the Developer shall have performed all of the other obligations required to be performed by the Developer under this Agreement as of the Closing Date.

9.12 Right to Terminate. If any of the conditions in this Section 9 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 by delivery of written notice to the Developer at any time after the expiration of the applicable time period, and this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder. Any forbearance by the City in exercising its right to terminate this Agreement upon a default hereunder shall not be construed as a waiver of such right.

## SECTION 10. SITE PLANS AND ARCHITECTURAL DRAWINGS.

10.1 Site Plans. The Developer shall construct the Project on the Property in accordance with the site plans, specifications and architectural drawings prepared by D+K Architects dated September 9, 2009, which have been approved by DCD as of the date hereof and which are incorporated herein by reference ("Specifications and Drawings"). No material deviation from the Specifications and Drawings may be made without full review, consideration and prior written approval by DCD, which will not be unreasonably withheld. If the Developer submits and DCD approves revised design development specifications and drawings after the date of this Agreement, the term "Specifications and Drawings" as used herein shall refer to the revised design development specifications and drawings upon DCD's written approval of same.

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10.2 Relocation of Utilities, Curb Cuts and Driveways. To the extent necessary to complete the Project, the Developer shall be solely responsible for and shall pay all costs in regard to: (1) the relocation, installation or construction of public or private utilities located on the Property; (2) the relocation, installation and construction of any curb cuts and driveways; (3) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with, or damaged as a result of, the Developer's redevelopment; (4) the removal of existing pipes, utility equipment or building foundations located on the Property; and (5) the termination of existing water or other services. Any streetscaping, including any paving of sidewalks, landscaping and lighting provided by the Developer, as part of the Project, must be approved by the City.

10.3 Inspection by the City. For the period commencing on the Closing Date and continuing through the date the City issues the Certificate of Completion, any duly authorized representative of the City shall, upon two (2) business days prior written notice to the Developer, have access to the Property at all reasonable times for the purpose of determining whether the Developer is constructing the Project in accordance with the terms of this Agreement and all applicable federal, state and local statutes, laws, ordinances, codes, rules, regulations, orders and judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal (collectively, "Laws"); provided, however, that the City or its inspector or architect does not unreasonably interfere with the Developer's activities on the Property.

10.4 Barricades and Signs. Upon the City's request, the Developer agrees to erect and maintain such signs as the City may reasonably require identifying the Property as a City redevelopment project. The Developer may erect signs of its own incorporating such approved identification information upon the execution of this Agreement. Prior to the commencement of any construction activity requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. The City shall have the right to approve all barricades, the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades, and all signage, which approval shall not be unreasonably withheld or delayed. The Developer shall erect all signs and barricades so as not to interfere with or affect any bus stop in the vicinity of the Property.

## SECTION 11. LIMITED APPLICABILITY

DCD's approval of the Drawings is for the purpose of this Agreement only and does not constitute the approval required by the City's Department of Buildings ("DOB") or any other City department; nor does the approval by DCD pursuant to this Agreement constitute an approval of the quality, structural soundness or the safety of any improvements located or to be located on the Property. The approval given by DCD shall be only for the benefit of the Developer and any lienholder authorized by this Agreement.

## SECTION 12. COMMENCEMENT AND COMPLETION OF PROJECT.

The Developer shall commence construction of the Project within one hundred and twenty (120) days after the Closing and shall complete the Project (as evidenced by the

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Developer's written request for a Certificate of Completion for the Project) within twelve months of beginning construction. Notwithstanding the foregoing commencement and completion dates, DCD may, in its sole discretion, upon Developer's request, extend such construction commencement and completion dates by up to six (6) months. The Project shall be constructed substantially in accordance with the Specifications and Drawings and in accordance with all applicable laws, regulations and codes.

## SECTION 13. CERTIFICATE OF COMPLETION.

Upon the completion of the Project, the Developer shall request from the City a Certificate of Completion (the "Certificate of Completion"). Within forty-five (45) days thereof, the City shall provide the Developer with either the Certificate of Completion or a written statement indicating in adequate detail how the Developer has failed to complete the Project in compliance with this Agreement, or is otherwise in default, and what measures or acts are necessary, in the sole opinion of DCD, for the Developer to take or perform in order to obtain the Certificate of Completion. If DCD requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate of Completion upon compliance with the City's response. The Certificate of Completion shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of certain of the covenants in this Agreement and the Deed (but excluding those on-going covenants as referenced in Section 18) with respect to the Developer's obligations to construct the Project.

## SECTION 14. RESTRICTIONS ON USE.

The Developer agrees that:

14.1 It shall construct the Project and thereafter devote all portions of the Property to uses that comply with the Redevelopment Plan until the date the Redevelopment Plan expires; and

14.2 The Developer shall not discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income in the sale, lease, rental, use or occupancy of the Property or any part thereof.

## SECTION 15. PROHIBITION AGAINST TRANSFER OF PROPERTY.

Prior to the issuance of the Certificate of Completion, as provided herein, the Developer may not, without the prior written consent of DCD, which consent shall be in DCD's sole discretion: (1) directly or indirectly sell or convey the Property or any part thereof or any interest therein, or the Developer's controlling interests therein; or (2) directly or indirectly assign this Agreement. In the event of a proposed sale, the City shall be provided 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 but not limited to anti-scofflaw requirement). Notwithstanding the foregoing, the Developer shall be permitted to encumber the Property in accordance with the terms of Section 16 hereof. After the issuance of the Certificate of Completion, no City consent shall be required for any type of



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transfer of the Property, provided that the transferee assumes in writing the continuing obligations of the Developer under Sections 14 and 18 of this Agreement.

## SECTION 16. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Prior to the issuance of the Certificate of Completion, the Developer shall not, without DCD's prior written consent, which shall be in DCD's sole discretion, engage in any financing or other transaction which creates an encumbrance (other than easements necessary for the use, construction or operation of the Project) or lien on the Property, except for the purposes of obtaining (including any refinancing): (a) funds necessary to acquire the Property; (b) funds necessary to construct the Project in substantial accordance with the Budget; and (c) after construction, funds necessary to own, maintain and operate the Property and the Project in accordance with the requirements of this Agreement. After the issuance of the Certificate of Completion, no City consent shall be required for any type of financing or other transaction which creates a financial encumbrance or lien on the Property.

## SECTION 17. MORTGAGEES NOT OBLIGATED TO CONSTRUCT

Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage authorized by this Agreement (or any affiliate of such holder) shall not itself be obligated to construct or complete the Project, or to guarantee such construction or completion, but shall be bound by the other covenants running with the land specified in Section 18 and at Closing shall execute a Subordination Agreement. If any such mortgagee or its affiliate succeeds to the Developer's interest in the Property prior to the issuance of the Certificate of Completion, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property to another party (that is not also a mortgagee), such transferee shall be obligated to complete the Project, and shall also be bound by the other covenants running with the land specified in Section 18.

## SECTION 18. COVENANTS RUNNING WITH THE LAND.

The parties agree, and the Deed shall so expressly provide, that the covenants provided in Section 12 (Commencement and Completion of Project), Section 14 (Restrictions on Use), Section 15 (Prohibition Against Transfer of Property) and Section 16 (Limitation Upon Encumbrance of Property) will be covenants running with the land, binding on the Developer and its successors and assigns (subject to the limitations set forth in Section 17 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 12, Section 15 and Section 16 shall terminate upon the issuance of the Certificate of Completion. The covenant contained in Section 14.1 shall terminate as of the date the Redevelopment Plan expires. The covenants contained in Section 14.2 shall remain in effect without limitation as to time.

## SECTION 19. PERFORMANCE AND BREACH.

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

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19.2 Permitted Delays. The Developer shall not be considered in breach of its obligations under this Agreement in the event of a delay due to unforeseeable causes beyond the Developer's control and without the Developer's fault or negligence, including but not limited to, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes, material shortages, and unusually severe weather or delays of contractors or subcontractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the Developer requests it in writing of the City within twenty (20) days after the beginning of any such delay.

## 19.3 Breach.

- a. Generally. Subject to Section 19.2, if the Developer defaults in performing its obligations under this Agreement, the City shall deliver written notice of such default, after which the Developer shall have a 60-day cure period to remedy such default. If the default is not capable of being cured within the 60-day period, then provided the Developer has commenced to cure the default and is diligently proceeding to cure the default within the 60-day period, and thereafter diligently prosecutes such cure through to completion, then the 60-day period shall be extended for the length of time that is reasonably necessary to cure the default. If the default is not cured in the time period provided for herein, the City may institute such proceedings at law or in equity as may be necessary or desirable to cure and remedy the default, including but not limited to, proceedings to compel specific performance.

No notice or cure period shall apply to a failure to close by the respective dates as set forth in Section 4 herein. Unless the failure to close is due to circumstances described in Section 19.2 above or caused by a breach by the City under the terms of this Agreement, such failure shall constitute an immediate "Event of Default". Failure to close by the dates set forth in Section 4 shall entitle the City to terminate this Agreement.

- b. Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" after written notice from the City (if required):
1. The Developer materially fails to perform any obligation of the Developer under this Agreement; which default is not cured pursuant to Section 19.3(a); or
  2. The Developer makes or furnishes a warranty, representation, statement or certification to the City (whether in this Agreement, an Economic Disclosure Form, or another document) which is not materially true and correct, which default is not cured pursuant to Section 19.3(a); or
  3. A petition is filed by or against the Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or

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hereinafter existing, which is not vacated, stayed or set aside within ninety (90) days after filing; or

4. Except as excused by Section 19.2 above, the Developer abandons or substantially suspends the construction work which default is not cured pursuant to Section 19.3(a); or
  5. The Developer fails to timely pay real estate taxes or assessments affecting the Property, or any part thereof, or suffers or permits any levy or attachment, material suppliers' or mechanics' lien, or any other lien or encumbrance unauthorized by this Agreement to attach to the Property, which default is not cured pursuant to Section 19.3(a); or
  6. The Developer makes an assignment, pledge, unpermitted financing, encumbrance, transfer or other disposition in violation of this Agreement (no notice or cure period shall apply); or
  7. The Developer's financial condition or operations adversely change to such an extent that would materially affect the Developer's ability to complete the Project which default is not cured pursuant to Section 19.3(a); or
  8. The Developer fails to perform, keep or observe any of the other covenants, promises, agreements, or obligations under this Agreement, including but not limited to the covenants set forth in Section 13 herein, or any other written agreement entered into with the City with respect to this Project, which default is not cured pursuant to Section 19.3(a); or
  9. Failure to close by the Outside Closing Date, unless DCD, in its sole discretion, extends the Outside Closing Date.
- c. **Prior to Conveyance.** Prior to Closing, if an Event of Default occurs and is continuing, and the default is not cured in the time period provided herein, the City may terminate this Agreement, and institute any action or proceeding at law or in equity against the Developer.
- d. **After Conveyance.** After Closing, if an Event of Default occurs and is continuing, beyond the applicable cure period under Section 19.3(a) above, if any, the City, may terminate this Agreement and exercise any and all remedies available to the City at law or in equity, including but not limited to, the right to re-enter and take possession of the Property, terminate the estate conveyed to the Developer, and re-vest title to the Property in the City (the "Right of Reverter"); provided, however, that the re-vesting 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 to the contrary, prior to its exercise of its Right of Reverter, the City shall provide written notice to the Developer of its intent to exercise its Right of Reverter, and the Developer shall have an additional ninety (90) days to cure the applicable Event of Default.

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- e. Resale of the Property. Upon the reversion in the City of title to the Property as provided in Section 19.3(d), the City shall employ its best efforts to convey the Property (subject to first mortgage liens permitted under this Section) to a qualified and financially responsible party (as solely determined by the City) who shall assume the obligation of completing the construction of the Project or such other improvements as shall be satisfactory to the City and complying with the covenants that run with the land, as specified in Section 18.
- f. Disposition of Resale Proceeds. If the City sells the Property, the net proceeds from the sale, after payment of all amounts owed under any mortgage lien or recapture provision in a grant of funds authorized by this Agreement in order of priority, shall be utilized to reimburse the City for:
1. unreimbursed costs and expenses incurred by the City in connection with the Property, including but not limited to, salaries of personnel in connection with the recapture, management and resale of the Property; and
  2. all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and
  3. any payments made (including reasonable attorneys' fees) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer; and
  4. any expenditures made or obligations incurred with respect to construction or maintenance of the Project; and
  5. the fair market value of the land comprising the Property (without any Project or partially constructed Project thereon) as of such sale; and
  6. any other amounts owed to the City by the Developer.

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

- g. 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 Developer shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of the Developer.

## **SECTION 20. CONFLICT OF INTEREST; CITY'S AND DEVELOPER'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.**

The Developer 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

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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 Developer 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 Developer or successor or on any obligation under the terms of this Agreement. It is expressly understood and agreed to by and between the parties hereto, anything herein to the contrary notwithstanding, that no individual member of the Developer, its officers, members of its board of directors, officials, agents, representatives or employees shall be personally liable for any of the Developer's obligations or any undertaking or covenant of the Developer contained in this Agreement.

## SECTION 21. INDEMNIFICATION.

The Developer 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) (collectively "Losses") suffered or incurred by the City arising from or in connection with: (1) an Event of Default that has occurred; (2) the failure of the Developer or any contractor to pay contractors, subcontractors or material suppliers in connection with the construction of the Project; (3) the failure of the Developer to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (4) any actions, including but not limited to, conducting environmental tests on the Property as set forth in Section 22 herein, resulting from any activity undertaken by the Developer on the Property prior to or after the conveyance of said Property to the Developer by the City; provided, however, the Developer shall have no obligation to indemnify the City for Losses to the extent such losses are caused by the City or its agents. This indemnification shall survive any termination of this Agreement (regardless of the reason for such termination) for the life of the Redevelopment Area.

## SECTION 22. 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 Developer agrees to accept the Property "as is".

It shall be the responsibility of the Developer, at its sole cost and expense, to investigate and determine the soil and environmental condition of the Property. Prior to the Closing, the Developer shall have the right to request a thirty (30) day right of entry for the purpose of conducting environmental tests on the Property. If such a request is made, the City shall grant the Developer a right of entry for such purpose. The granting of the right of entry, however, shall be contingent upon the Developer obtaining all necessary permits and the following types and amounts of insurance: (1) commercial general liability insurance with a combined single limit of not less than \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage liability with the City named as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the environmental testing on the Property; (2) automobile liability insurance with limits of not less than \$2,000,000.00 per occurrence, combined single limit for bodily injury and property damage; and (3) worker's compensation and occupational disease insurance in statutory amounts covering all employees and agents who are to do any work on the Property. All insurance policies shall be

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from insurance companies authorized to do business in the State of Illinois, and shall remain in effect until completion of all activity on the Property. The City shall be named as an additional insured on all policies. The Developer shall deliver duplicate policies or certificates of insurance to the City prior to commencing any activity on the Property. The Developer expressly understands and agrees that any coverage and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities set forth in this Agreement.

The Developer agrees to carefully inspect the Property prior to the commencement of any activity on the Property to make sure that such activities shall not damage surrounding property, structures, utility lines or any subsurface lines or cables. The Developer shall be solely responsible for the safety and protection of the public on and immediately adjacent to the Property during the performance of the Developer's inspection of the Property. The City reserves the right to inspect any work being done on the Property. The Developer's activities on the Property shall be limited to those reasonably necessary to perform the environmental testing. Upon completion of the environmental work, the Developer agrees to restore the Property to its original condition. The Developer shall keep the Property free from any and all liens and encumbrances arising out of any environmental work performed, materials supplied or obligations incurred by or for the Developer, and agrees to indemnify and hold the City harmless against any such liens.

The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property. If prior to the Closing, the Developer's environmental consultant determines an environmental or soil condition exists on the Property to such an extent that the Developer determines that it is not satisfied, in its sole discretion, with the condition of the Property, the Developer may declare this Agreement null and void by giving written notice thereof to the City.

If after the Closing, the environmental condition of the Property is not in all respects entirely suitable for the use to which the Property is to be utilized, it shall be the sole responsibility and obligation of the Developer to take such action as is necessary to put the Property in a condition which is suitable for the intended use of the Property. The Developer agrees to waive, release and indemnify the City from any claims and liabilities relating to or arising from the environmental condition of the Property (including, without limitation, claims arising under CERCLA) and to undertake and discharge all liabilities of the City arising from any environmental condition which existed on the Property prior to the Closing.

## SECTION 23. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

23.1 Employment Opportunity. The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any affiliate of the Developer 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 Project on the Property, but not including construction on the Property, or occupation of the Property during the construction period:

- a. Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin

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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 Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income 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 Developer 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 Developer 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 race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

- b. To the greatest extent feasible, the Developer 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 Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the City.
- c. The Developer 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.
- d. The Developer, 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 Developer 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 Project, 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.

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- f. Failure to comply with the employment obligations described in this Section 23 shall be a basis for the City to pursue remedies under the provisions of Section 19.

## 23.2 City Resident Employment Requirement.

- a. The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, it and each Employer 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 Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer 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 Developer 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 Purchasing Agent 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 Developer 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 Project. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.
- e. Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to DCD's monitoring staff in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the company hired the employee should be written in after the employee's name.
- f. The Developer and the Employers shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DCD, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer 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 DCD, the Developer 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.



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- h. Good faith efforts on the part of the Developer 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 Developer 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 19, the parties agree that 1/20 of 1 percent (.005%) of the aggregate hard construction costs set forth in the Project Budget as applicable, shall be surrendered by the Developer 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 Developer 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 Developer shall cause or require the provisions of this Section 23.2 to be included in all construction contracts and subcontracts related to the construction of the Project.

23.3 Developer's MBE/WBE Commitment. The Developer 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 Project:

- a. Consistent with the findings which support, as applicable, (a) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (b) 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 23.3., during the course of the Project, the following percentages of the MBE/WBE Budget, substantially in the City's standard form, shall be expended for contract participation by minority-

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owned businesses ("MBEs") and by women-owned businesses ("WBEs"): (1) At least 24% by MBEs; and (2) At least 4% by WBEs.

- b. For purposes of this Section 23.3 only:
1. The Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) 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.
  2. 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.
  3. 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 Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (a) the MBE or WBE participation in such joint venture, or (b) the amount of any actual work performed on the Project by the MBE or WBE); by the Developer utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Project by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the construction of the Project to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Project 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 Developer's MBE/WBE commitment as described in this Section 23.3. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of DCD.
- d. The Developer shall deliver quarterly reports to the City's monitoring staff during construction of the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and

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- business address of each MBE and WBE solicited by the Developer or the general contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in construction of the Project, 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 Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with construction of the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on prior notice of at least fifteen (15) business days, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of construction of the Project.
- e. Upon the disqualification of any MBE or WBE general contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer 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 (v), 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 Developer's MBE/WBE commitment as described in this Section 23.3 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 Project, the Developer shall meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 23.3. The general contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 23.3., the sufficiency of which shall be approved by the City's monitoring staff. During the Project, as applicable, the Developer shall submit the documentation required by this Section 23.3 to the City's monitoring staff, including the following: (a) MBE/WBE utilization plan and record; (b) subcontractor's activity report; (c) contractor's certification concerning labor standards and prevailing wage requirements (if applicable); (d) contractor letter of understanding; (e) monthly utilization report; (f) authorization for payroll agent; (g) certified payroll; (h) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (i) evidence of compliance with job creation requirements. 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 Developer is not complying with its obligations under this Section 23.3, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any

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other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any city funds to the Developer or the general contractor, or (3) seek any other remedies against the Developer available at law or in equity.

## SECTION 24. REPRESENTATIONS AND WARRANTIES.

24.1 Representations and Warranties of the Developer. To induce the City to execute this Agreement and perform its obligations hereunder, the Developer hereby represents and warrants to the City that as of the date of this Agreement and as of the Closing Date the following shall be true and correct in all respects:

- a. The Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois with full power and authority to acquire, own and redevelop the Property, and the person signing this Agreement on behalf of the Developer has the authority to do so.
- b. All certifications and statements contained in the Economic Disclosure Statement last submitted to the City by Developer (and any legal entity holding an interest in the Developer) are true, accurate and complete.
- c. The Developer's execution, delivery and performance of this Agreement and all instruments and agreements contemplated hereby will not, upon the giving of notice or lapse of time, or both, result in a breach or violation of, or constitute a default under, any other agreement to which the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is bound.
- d. To the best of the Developer's knowledge, no action, litigation, investigation or proceeding of any kind is pending or threatened against the Developer, or any party affiliated with the Developer, and the Developer knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (a) affect the ability of the Developer to perform its obligations hereunder; or (b) materially affect the operation or financial condition of the Developer.
- e. To the best of the Developer's knowledge, the Project will not violate: (a) any Laws, including, without limitation, any zoning and building codes and environmental regulations; or (b) any building permit, restriction of record or other agreement affecting the Property.

24.2 Representations and Warranties of the City. To induce the Developer to execute this Agreement and perform its obligations hereunder, the City hereby represents and warrants to the Developer that the City has authority under its home rule powers to execute and deliver this Agreement and perform the terms and obligations contained herein.

24.3 Survival of Representations and Warranties. Each of the parties agrees that all of its representations and warranties set forth in this Section 24 or elsewhere in this Agreement are true as of the date of this Agreement and will be true in all material respects at all times

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thereafter, except with respect to matters which have been disclosed in writing and approved by the other party.

## SECTION 25. PROVISIONS NOT MERGED WITH DEED.

The provisions of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the provisions of this Agreement.

## SECTION 26. HEADINGS.

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

## SECTION 27. 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.

## SECTION 28. 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 29. NOTICES.

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) electronic communications, whether by telex, telegram or telecopy, provided that there is written confirmation of such communications; (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 Planning and Development  
 121 North LaSalle Street  
 Room 1000 - City Hall  
 Chicago, Illinois 60602

With a copy to:

City of Chicago  
 Department of Law  
 121 North LaSalle Street  
 Room 600  
 Chicago, Illinois 60602  
 Attn: Real Estate Division

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If to the Developer:

RK Development Properties, LLC  
13808 High Road  
Lockport, Illinois 60441  
Attn: Frank J. Russo

With a copy to:

Wildman, Harrold, Allen & Dixon LLP  
225 W. Wacker Drive  
Suite 2800  
Chicago, Illinois 60606  
Attn: Mark Huddle

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, respectively, provided that such electronic dispatch is confirmed as having occurred prior to 5:00 p.m. on a business day. If such dispatch 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 business days after mailing. The parties, by notice given here-under, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

## SECTION 30. ORGANIZATION AND AUTHORITY.

The Developer represents and warrants that it is duly organized and validly existing 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 Developer has the authority to do so.

## SECTION 31. SUCCESSORS AND ASSIGNS.

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 32. TERMINATION.

In the event that the Closing has not occurred by the Outside Closing Date, or any extensions thereof in DCD's sole discretion, defined herein, then either party may terminate this Agreement upon written notice to the other.

## SECTION 33. RECORDATION OF AGREEMENT.

Either party may record this Agreement at the Office of the Cook County Recorder of Deeds. The Developer shall pay the recording fees to record this Agreement.

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## SECTION 34. CONSENT AND APPROVAL.

Except where otherwise specified, whenever the consent or approval of the City is required hereunder, such consent or approval shall not be unreasonably withheld or delayed.

## SECTION 35. OTHER ACTS

The parties agree to perform such other acts and to execute, acknowledge and deliver such other instruments, documents and materials as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

## SECTION 36. BUSINESS RELATIONSHIPS.

The Developer acknowledges (1) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (2) that it has read such provision and understands that pursuant to such Section 2-156-030 (b) 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 City official or employee 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, and (3) notwithstanding anything to the contrary contained in this Agreement, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

## SECTION 37. PATRIOT ACT CERTIFICATION.

The Developer represents and warrants that neither the Developer nor any Affiliate thereof (as defined in the next paragraph) 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 the Developer that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Developer, 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.

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## SECTION 38. PROHIBITION ON CERTAIN CONTRIBUTIONS-MAYORAL EXECUTIVE ORDER NO. 05-1.

Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (1) after execution of this Agreement by Developer, (2) while this Agreement or any Other Contract is executory, (3) during the term of this Agreement or any Other Contract between Developer and the City, or (4) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later to occur of (1) February 10, 2005, and (2) the date the City approached the Developer or the date the Developer 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.

Developer agrees that it shall not: (1) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (2) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (3) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must 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.

Developer 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, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:



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“Bundle” means to collect contributions from more than one source, which is then delivered by one person to the Mayor or to his political fundraising committee.

“Other Contract” means any other agreement with the City of Chicago to which Developer is a party that is (1) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (2) entered into for the purchase or lease of real or personal property; or (3) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

“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.
  2. The partners have common or joint ownership of a residence.
  3. The partners have at least two of the following arrangements:
    - i. joint ownership of a motor vehicle;
    - ii. a joint credit account;
    - iii. a joint checking account;
    - iv. 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.

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## SECTION 39. COOPERATION WITH OFFICE OF COMPLIANCE.

In accordance with Chapter 2-26-101 et seq. of the Municipal Code, the Developer acknowledges that every officer, employee, department and agency of the City shall be obligated to cooperate with the Executive Director of the Office of Compliance in connection with any activities undertaken by such office with respect to this Agreement, including, without limitation, making available to the Executive Director the department's premises, equipment, personnel, books, records and papers. The Developer agrees to abide by the provisions of Chapter 2-26-101 et seq.

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Property of Cook County Clerk's Office

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

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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

By: Christine A. Raguso  
Christine A. Raguso,  
Acting Commissioner of Community Development

**RK DEVELOPMENT PROPERTIES, LLC,**  
an Illinois limited liability company

By: **Russo Family Trust Dated 12/10/08,**  
Its Managing Member

By: Frank J. Russo  
Name: Frank J. Russo,  
Is: Trustee

This instrument was prepared by:

Karen Bielarz  
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City of Chicago  
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Property of Cook County Clerk's Office

# UNOFFICIAL COPY

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, KATHLEEN T. RUSSO a Notary Public in and for said County, in the State aforesaid, do hereby certify that Frank J. Russo, Trustee of the Russo Family Trust Dated 12/10/08, which is a Managing Member of RK Development Properties, LLC (the "Company") 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 Managing Member, he signed and delivered the instrument pursuant to authority given by the Company Operating Agreement as his free and voluntary act and as the free and voluntary act and deed of the Company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 13 day of May, 2010.



Kathleen T. Russo  
NOTARY PUBLIC

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, KATHLEEN T. RUSSO a Notary Public in and for said County, in the State aforesaid, do hereby certify that Frank J. Russo, Trustee of the Russo Family Trust Dated 12/10/08 (the "Trust") 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 Trustee, he signed and delivered the instrument pursuant to authority given by the Trust as his free and voluntary act and as the free and voluntary act and deed of the Trust, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 13 day of May, 2010.



Kathleen T. Russo  
NOTARY PUBLIC

# UNOFFICIAL COPY

STATE OF ILLINOIS     )  
  ) SS.  
COUNTY OF COOK     )

I, PATRICIA Sulewski, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Christine A. Raguso, personally known to me to be the Acting Commissioner of Community 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 Acting Commissioner, she signed and delivered the instrument pursuant to authority given by the City of Chicago, as her 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 17<sup>th</sup> day of May, 2010.

Patricia Sulewski  
NOTARY PUBLIC



# UNOFFICIAL COPY

## EXHIBIT A

### LEGAL DESCRIPTION OF CITY PROPERTY (SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

**PARCEL 1:**

LOT 79 (EXCEPT THAT PART OF LOT 79 LYING WEST OF A LINE 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SECTION 8) IN BALLIN'S SUBDIVISION OF THE NORTH 1/2 OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

LOT 77 (EXCEPT THAT PART OF LOT 77 LYING WITHIN THE WEST 50 FEET OF SECTION 8 TAKEN FOR WIDENING OF SOUTH ASHLAND AVENUE) IN BALLIN'S SUBDIVISION OF THE NORTH 1/2 OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 5147 & 5151 South Ashland Avenue  
Chicago, Illinois 60607

P.I.N.: 20-08-300-016-0000  
20-08-300-018-0000

# UNOFFICIAL COPY

## EXHIBIT B

### NARRATIVE DESCRIPTION OF PROJECT

The Developer shall construct a two story 10,180 square foot family health center, which will include twenty-two (22) parking spaces. The intended end user of this development is Access Community Health Network ("Access"). The first floor will consist of nine exam rooms, reception area, community room, lab, consult room and two rest rooms. The second floor will consist of an employee break room, WIC work room, WIC conference room, demo kitchen, kid's playroom, reception area, doctor's office and two rest rooms. The developer will begin construction within four months of closing and complete the Project no later than twelve months after beginning construction.

The Project will be constructed with sustainable building materials. In addition, the Developer will obtain LEED Certification and provide a green roof (tray system), with the tray system covering those portions of the roof not used for building systems and access to such systems.

The Project will benefit the City and its citizens by:

- a. generating approximately six to ten permanent jobs and forty five to fifty temporary construction jobs; and
- b. replacing an undersized and outdated facility with a larger, state of the art health center that will address the growing needs of the community.