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Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 04/27/2016 03:54 PM Pg: 1 of 9

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**SECTION 8 USE AGREEMENT**

by and between

the United States of America,

Secretary of Housing and Urban Development

and

Damen Court Preservation, L.P.,

an Illinois limited partnership

**THIS DOCUMENT PREPARED BY AND  
AFTER RECORDING RETURN TO:**

Levy, Levy & Levy  
900 Larkspur Landing Circle, Suite 275  
Larkspur, CA 94939  
Attn: Paul A. Renno, Esq.

GIT 40019379 1/12 MJ

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## Section 8 Use Agreement

This Section 8 Use Agreement (“Agreement”), made this 1st day of April, 2016 by and between the United States of America, Secretary of Housing and Urban Development (“HUD”) and HHDC-Damen Court, LLC (“Owner”), a Delaware limited liability company, of Damen Court Apartments, Chicago, Illinois, legally described in Exhibit A attached hereto and made a part hereof (“Project”), provides as follows:

WHEREAS, the Owner or a prior owner and the Contract Administrator (HUD or a Public Housing Agency, acting under an Annual Contributions Contract with HUD), previously entered into a project-based Housing Assistance Payments (“HAP”) contract pursuant to section 8 of the United States Housing Act of 1937, as amended, 42 U.S.C. §1437f (“Act”), that has since terminated or expired;

WHEREAS, upon termination or expiration of a project-based section 8 HAP contract, HUD is authorized pursuant to section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, as amended, 42 U.S.C. 1437f note (“MAHRA”), to renew the contract on such terms and conditions as HUD considers appropriate, subject to the requirements of section 524 of MAHRA;

WHEREAS, the Owner and the Contract Administrator have entered or will enter into a renewal contract pursuant to section 524 of MAHRA (“Renewal Contract”), renewing the HAP contract for a term of twenty (20) years, subject to annual appropriations; and

WHEREAS, the Contract Administrator’s agreement to enter into the Renewal Contract was conditioned on the requirement that the Owner agree to maintain the Project as affordable housing for low-income families for a period of twenty (20) years, as required in this Agreement.

NOW THEREFORE, in consideration of the mutual promises set forth herein and of other valuable consideration, HUD and the Owner, for itself, its successors and assigns, hereby agree as follows:

1. **Term.** The term of the Agreement shall be twenty (20) years and shall commence on the date reflected in first sentence of the Agreement on page 1.
2. **Governing Authorities.** The project shall be operated in accordance with the requirements of section 8 of the Act, all applicable Federal regulations, the Renewal Contract, and all other applicable HUD requirements.
3. **Use Restriction and Tenant Incomes.** The HAP-assisted units within this Project shall be used solely as rental housing for tenants meeting the eligibility and income-targeting requirements that govern the HAP Contract. In the event that the HAP Contract is terminated (*e.g.*, because of breach or non-compliance by the Owner), for the remainder of the term of the Agreement, new tenants must have incomes at or below 80 percent of the

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average median income (AMI) at the time of admission, applicable to all units previously covered under the HAP contract.

4. **Subordination.** Any mortgage liens will be subject to this Agreement. This Agreement will survive foreclosure and bankruptcy.
5. **Fair Housing and Civil Rights Requirements.** Compliance with all applicable fair housing and civil rights requirements, including the obligation to affirmatively further fair housing and the site selection and neighborhood standards requirements set forth in 24 CFR §§1.4(b)(3) and 941.202, as applicable, is required.
6. **Federal Accessibility Requirements.** Compliance with all applicable Federal accessibility requirements under the Fair Housing Act and implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and implementing regulations at 28 CFR Parts 35 and 36, respectively, is required.
7. **Execution of Other Agreements.** The Owner agrees that it has not and will not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any conflicting requirements.
8. **Subsequent Statutory Amendments.** If revisions to this Agreement are necessitated by subsequent statutory amendments, the Owner agrees to execute modifications to this Agreement that are needed to conform to the statutory amendments. In the alternative, at HUD's option, HUD may implement any such statutory amendment through rulemaking.
9. **Tenant Participation.** The Owner agrees (a) not to impede the reasonable efforts of tenants to organize as detailed in 24 CFR Part 245, and (b) not to unreasonably withhold the use of any community room or other available space appropriate for meetings which is part of the Project when requested by (i) a resident tenant organization in connection with the representational purposes of the organization, or (ii) tenants residing in the Project who seek to organize or to consider collectively any matter pertaining to the operation of the Project.
10. **Conflicts.** Any conflicts between this Agreement and the HAP Contract shall be conclusively resolved by HUD.
11. **Recordation.** The Owner agrees to record this Use Agreement, or to cause it to be recorded, at the Owner's cost and expense in the appropriate land records within sixty (60) days of execution by HUD.

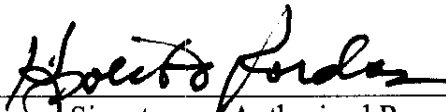
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- 12. **Enforcement.** In the event of a breach or threatened breach of any of the provisions of this Agreement, the Secretary or his or her successors or delegates may institute proper legal action against the Owner or any of its successors or assigns to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.
- 13. **Severability.** The invalidity, in whole or in part, of any of the provisions set forth in this Agreement shall not affect or invalidate any remaining provisions.
- 14. **Binding Nature of Agreement.** This Agreement shall be binding upon the Owner, and all future successors and assigns.
- 15. **No Negotiation.** This Agreement is not subject to negotiation.

As evidenced by the signature below of their authorized representative, the Owner and HUD hereby agree to the terms of this Use Agreement.

Owner

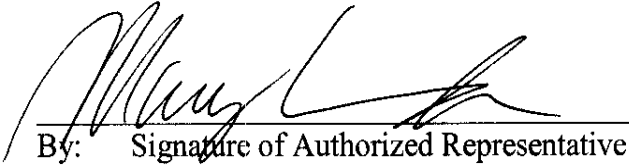
HHDC-Damen Court, LLC, a Delaware limited liability company  
By: Hispanic Housing Development Corporation, an Illinois  
not-for-profit corporation, its managing member

  
 By: \_\_\_\_\_  
 Name of Signatory: Hipolito Roldan, President

Date: 04/01/2016

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United States of America Secretary of Housing and Urban Development



By: Signature of Authorized Representative

Name of Signatory:

Official Title: **Mary Anderson**  
Division: Director, Production  
Mutifamily Midwest Regional Center

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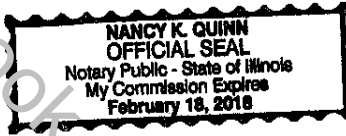
## ACKNOWLEDGEMENT BY OWNER BEFORE NOTARY PUBLIC

STATE OF ILLINOIS            ) SS:  
COUNTY OF COOK            )

On this 21<sup>st</sup> day of April, 2016 before me, Nancy Quinn a Notary Public in and in the County of Cook, Hipolito Roldan , appeared before me, personally known and known to me to be the President of Hispanic Housing Development Corporation, as managing member of HHDC-Damen Court, LLC, and the person who executed the aforesaid instrument bearing the date of April , 2016, and acknowledged that he or she executed the aforesaid instrument for and on behalf of said corporation and limited liability company the purposes herein.

Nancy K. Quinn  
NOTARY PUBLIC

My Commission Expires:



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## ACKNOWLEDGEMENT BY COMMISSIONER

STATE OF ILLINOIS ) SS:  
~~CITY AND COUNTY OF~~  
COOK )

On this 22<sup>nd</sup> day of April, 2016, before me, MATTHEW J. TOWEY, a Notary Public in and for the City of CHICAGO in the County of COOK appeared MARY ANDERSON to me personally known and known to me to be the duly Authorized Agent of the Secretary of Housing and Urban Development, by and through the Assistant Secretary for Housing -- Federal Housing Commissioner, and the person who executed the aforesaid instrument bearing the date of April 1, 2016, and acknowledged that he or she executed the aforesaid instrument for and on behalf of the Secretary of Housing and Urban Development for the purposes herein.

  
\_\_\_\_\_  
NOTARY PUBLIC



My Commission Expires:

Notary of Cook County Clerk's Office

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## EXHIBIT A

### LEGAL DESCRIPTION

#### PARCEL 1:

LOT 3 (EXCEPT THE NORTH 37 FEET THEREOF) THE NORTH 1/2 OF LOT 9 AND ALL OF LOTS 4, 5, 6, 7, 10, AND 11 IN BLOCK 3 IN OWSLEY'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH LOT 1 IN WILSON'S SUBDIVISION SOUTH OF AND ADJOINING THERETO, IN COOK COUNTY, ILLINOIS;

ALSO

LOTS 1 TO 12, INCLUSIVE, IN THE RESUBDIVISION OF LOTS 1, 2, 12, 13, 14, AND THE NORTH 37 FEET OF LOT 3 IN BLOCK 3 IN OWSLEY'S SUBDIVISION AFORESAID;

ALSO

ALL OF THE NORTH-SOUTH AND EAST-WEST VACATED ALLEYS FURTHER DESCRIBED AS ALL OF THE ALLEYS IN THE BLOCK BOUNDED BY WEST ADAMS STREET, WEST JACKSON BOULEVARD, SOUTH SEELEY AVENUE AND SOUTH DAMEN AVENUE VACATED BY ORDINANCE PASSED APRIL 23, 1941 AND RECORDED APRIL 25, 1941 AS DOCUMENT NO. 12667268;

ALSO

LOTS 1 TO 9, INCLUSIVE, (BEING ALL THE LOTS) AND ALLEY FOR THE USE OF OWNERS OF LOTS IN THIS SUBDIVISION ONLY (WHICH ALLEY WAS VACATED BY THE INSTRUMENT RECORDED APRIL 11, 1924 AS DOCUMENT NO. 8359301), IN WILLIAM LAWRENCE'S SUBDIVISION, BEING A SUBDIVISION OF LOT 46 OF E. SMITH'S SUBDIVISION, AND LOT 8 AND THE SOUTH 1/2 OF LOT 9 IN BLOCK 3 IN OWSLEY'S SUBDIVISION AND THE 3 FEET, MORE OR LESS, LYING BETWEEN SAID LOTS 8 AND 46, ALL IN THE EAST 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18 AFORESAID;

ALSO

LOT 45 (EXCEPT THAT PART, IF ANY, TAKEN FOR JACKSON BOULEVARD) IN ELIJAH SMITH'S SUBDIVISION OF A 5 ACRES TRACT IN THE SOUTH 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18 AFORESAID.



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**PARCEL 2:**

THE SOUTH 1/2 OF LOT 2 AND ALL OF LOTS 3 TO 17, INCLUSIVE, (EXCEPT THAT PART OF LOTS 10 AND 11 TAKEN FOR STREET BY DEED RECORDED MAY 10, 1898 AS DOCUMENT NO. 2684289), IN BLOCK 4 IN OWSLEY'S SUBDIVISION AFORESAID.

**PARCEL 3:**

LOTS 1 TO 8, INCLUSIVE, IN J. L. SPROGLE'S SUBDIVISION OF LOT 1 AND THE NORTH 1/2 OF LOT 2 IN BLOCK 4 OF OWSLEY'S SUBDIVISION AFORESAID.

**PARCEL 4:**

ALL OF THE EAST-WEST 12 FOOT ALLEYS (2) AND THE NORTH-SOUTH 13 FOOT ALLEY AS LAID OUT IN BLOCK 4 IN OWSLEY'S SUBDIVISION, AFORESAID, ALL IN COOK COUNTY, ILLINOIS.

**PARCEL 5:**

ALL OF SEELEY AVENUE LYING BETWEEN BLOCKS 3 AND 4 IN OWSLEY'S SUBDIVISION AFORESAID AND LYING BETWEEN THE NORTH AND SOUTH LINES OF SAID BLOCKS EXTENDED (EXCEPTING THEREFROM THAT PART OF SAID SEELEY AVENUE LYING BETWEEN THE WEST 9 FEET THEREOF AND THE EAST 18 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

**PARCEL 6:**

EASEMENTS CREATED BY GRANT FROM THE CITY OF CHICAGO TO DAMEN COURT ASSOCIATES DATED NOVEMBER 18, 1979 AND RECORDED AS DOCUMENT NO. 25263133, FOR THE USE OF THE GRANTEE FOR PARKING AND PLAY AREAS IN CONJUNCTION WITH THE REDEVELOPMENT OF LOW AND MODERATE INCOME HOUSING ON ABUTTING PARCELS (PARCELS 1, 2, 3 AND 4), OVER THAT PART OF SEELEY AVENUE LYING BETWEEN DAMEN AND HOYNE AVENUE, ADAMS STREET AND JACKSON BOULEVARD (EXCEPTING THEREFROM THE WEST 9 FEET AND THE EAST 18 FEET OF SEELEY AVENUE) BEING MORE PARTICULARLY DESCRIBED AS ALL OF SEELEY AVENUE LYING BETWEEN BLOCKS 3 AND 4 IN OWSLEY'S SUBDIVISION AFORESAID AND LYING BETWEEN THE NORTH AND SOUTH LINES OF SAID BLOCKS EXTENDED (EXCEPTING THEREFROM THE WEST 9 FEET AND THE EAST 18 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

Address: 2040 W. Jackson Blvd.  
Chicago, IL 60612

PINs: 17-18-118-001-0000 through 17-18-118-028-0000 and  
17-18-119-013-0000