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THIS INSTRUMENT PREPARED BY,
AND AFTER RECORDING, PLEASE
RETURN TO:

Lisa Misher
City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602



Doc#: 1625019103 Fee: \$112.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 09/06/2016 12:23 PM Pg: 1 of 34

(Above Space for Recorder's Use Only)

NOTICE

THIS PROJECT IS SUBJECT TO SECTION 2-45-115 OF THE MUNICIPAL CODE OF THE CITY OF CHICAGO (AFFORDABLE REQUIREMENTS ORDINANCE). THE COVENANTS SET FORTH HEREIN RUN WITH THE LAND, AND ARE BINDING ON AND ENFORCEABLE AGAINST SUCCESSORS AND ASSIGNS UNTIL THE CITY RECORDS A RELEASE.

THIS AFFORDABLE HOUSING AGREEMENT (this "Agreement") is made on or as of September 6, 2016, by and between the CITY OF CHICAGO, an Illinois municipal corporation ("City"), acting by and through its Department of Planning and Development ("Department"), 2501 HOMER LLC, an Illinois limited liability company (the "Market-Rate Developer"), HIC ARO 1 LLC, an Illinois limited liability company and an affiliate of the Market-Rate Developer (the "Talman Developer"), and HIC ARO 2 LLC, an Illinois limited liability company and an affiliate of the Market-Rate Developer (the "Washenaw Developer"). Capitalized terms not otherwise defined herein shall have the meanings given in Section 1.

RECITALS

- A. The Market-Rate Developer is developing the property located at 2501 West Homer Avenue, Chicago, Illinois, and legally described on Exhibit A attached hereto (the "Market-Rate Property").
- B. The City Council, by ordinance adopted on January 13, 2016, approved the rezoning of the Market-Rate Property from C1-1 and RS-3 to RM-4.5, and then to Planned Development Number 1305, for the construction of a maximum of 50 residential townhouses (the "Market-Rate Project").
- C. Section 2-45-115 of the Municipal Code (the "Affordable Requirements Ordinance" or the "ARO") obligates the City to impose certain affordability requirements upon developers who undertake residential development projects that include ten (10) or more dwelling units and that receive City assistance in the form of the sale of City land, financial assistance, or approval of certain zoning changes.

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D. The Market-Rate Developer acknowledges and agrees that the Market-Rate Project is a Residential Housing Project (as defined in Section 1 below) within the meaning of the ARO, and that the rezoning of the Market-Rate Property for the Market-Rate Project constitutes Zoning Assistance (as defined in Section 1 below) within the meaning of the ARO, thereby triggering the requirements of the ARO.

E. The ARO divides the city into three (3) zones for purposes of applying the ARO's affordable housing requirements. The three zones are referred to in the ARO and this Agreement as Low-Moderate Income Areas, Higher Income Areas and Downtown Districts.

F. The ARO requires developers of Residential Housing Projects in every zone to (i) set aside 10% of the housing units in the Residential Housing Project as Affordable Units, or provide the Affordable Units in an approved off-site location; (ii) pay a fee in lieu of the development of the Affordable Units; or (iii) any combination of (i) and (ii); provided, however, Residential Housing Projects with 20 or more units ("Larger Projects") in Low-Moderate Income Areas (rental and for-sale), Higher Income Areas (rental and for-sale) and Downtown Districts (rental only) must provide a minimum of 25% of the Affordable Units (the "Required Units") on-site or (for projects in Higher Income Areas and Downtown Districts) off-site. In other words, in such Larger Projects, the developer may not pay a fee in lieu of the development of the Required Units. If the developer elects to provide Affordable Units in an off-site location, the off-site Affordable Units must be located within a two-mile radius from the Residential Housing Project and in the same or a different Higher Income Area or Downtown District.

G. The Market-Rate Project is located in a Higher Income Area and constitutes a Larger Project. As a result, the Market-Rate Developer's ARO obligation is 5 Affordable Units (10% of 50), one of which is a Required Unit (25% of 5, rounded down).

H. The Market-Rate Developer has submitted, and the Department has approved, a proposal to provide all five (5) Affordable Units in two off-site buildings, one located at 1623 North Talman Avenue in Chicago, and legally described on Exhibit A-1 attached hereto (the "Talman Property"), and the other located at 1447 North Washtenaw Avenue in Chicago, and legally described on Exhibit A-1 attached hereto (the "Washtenaw Property").

I. The Market-Rate Developer caused the Talman Developer and the Washtenaw Developer to be formed in order to acquire the off-site properties and develop the Affordable Units.

J. The Talman Property is improved with a three-story residential building with a total of five (5) dwelling units (the "Talman Building"), in which the Talman Developer will establish two (2) Affordable Units, and the Washtenaw Property is improved with a three-story residential building with a total of four (4) dwelling units (the "Washtenaw Building"), in which the Washtenaw Developer will establish three (3) Affordable Units.

K. The acquisition and rehabilitation of the off-site Affordable Units is estimated to cost approximately \$211,236 per unit, as detailed in the preliminary budget attached hereto as Exhibit D.

L. The City has determined that the conversion of market-rate residential units in the Talman Building and the Washtenaw Building will meet the requirements of the ARO.

M. The City acknowledges that the Market-Rate Project will not include any Affordable Units, and the Market-Rate Developer acknowledges that each off-site Affordable Unit must

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receive a Certificate of Occupancy (or, for renovations or alterations that do not require a Certificate of Occupancy, approval from the Department that the improvements have been completed in accordance with the terms of this Agreement) before the City will issue the first Certificate of Occupancy for the Market-Rate Project.

N. As a specific condition precedent to the Market-Rate Developer receiving a building permit for the Market-Rate Project, the Market-Rate Developer, the Talman Developer and the Washtenaw Developer have each agreed to execute this Agreement and record it against the Market-Rate Property, the Talman Property, and the Washtenaw Property in order to secure the performance of their obligations under the ARO. In addition, prior to the issuance of a building permit for the Market-Rate Project, the Market-Rate Developer acknowledges that it must pay a fee in the amount of \$5,000 per Affordable Unit to offset the Department's expenses in connection with monitoring and administering compliance with the requirements of the ARO.

NOW THEREFORE, the Market-Rate Developer, the Talman Developer and the Washtenaw Developer covenant and agree as follows:

SECTION 1. INCORPORATION OF RECITALS; DEFINITIONS. The recitals set forth above are, by this reference, fully incorporated into and made a part of this Agreement. For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the following meanings:

1.1 "*Acquisition Assistance*" means the City's sale of real property to a developer (a) upon which a Residential Housing Project is subsequently developed, or (b) any portion of which is incorporated into a Residential Housing Project site in order to satisfy minimum off-street parking, minimum lot area, setback or other zoning or Municipal Code requirements or standards.

1.2 "*Affordable Housing Profile Form*" means the form attached hereto as Exhibit B, specifying the number and types of affordable units required for the Market-Rate Project.

1.3 "*Affordable Requirements Ordinance*" or "ARO" is defined in the Recitals.

1.4 "*Affordable Units*" means those Units in the Talman Building and the Washtenaw Building which will be leased to and occupied by Eligible Households, as more specifically identified in Section 4.1(a). The Affordable Units must comply with the requirements of Section 4.

1.5 "*Agreement*" means this Affordable Housing Agreement, as supplemented, amended and restated from time to time.

1.6 "*Area Median Income*" or "AMI" means the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size on an annual basis by HUD.

1.7 "*ARO Building*" means the Talman Building or the Washtenaw Building, as the context requires, and "*ARO Buildings*" means the Talman Building and the Washtenaw Building collectively.

1.8 "*Authorized Agency*" means the Chicago Housing Authority, the Chicago Low-Income Housing Trust Fund, or another non-profit agency acceptable to the City, which administers subsidies under HUD's McKinney-Vento Homeless Assistance Grants program, or

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the Veterans Administration Supportive Housing program, or another housing assistance program approved by the City.

1.9 "*Authorized Agency Agreement*" means (a) a 30-year lease agreement, if the Authorized Agency is leasing the Affordable Unit, or (b) a 30-year deed restriction or similar instrument, if the Authorized Agency is purchasing the Affordable Unit. In either case, the Authorized Agency Agreement shall (x) require the Authorized Agency to lease the Affordable Units to households that meet the income eligibility requirements for rental housing under the ARO for a minimum of 30 years, (y) prohibit the Authorized Agency from selling, transferring, or otherwise disposing of such Affordable Units, and (z) require the Authorized Agency to submit an annual report identifying: the number of Affordable Units in the Authorized Agency's inventory, the monthly rental rates for each Affordable Unit, each tenant's household size and gross income, the operating expenses and revenues for the Affordable Units, and such other information as the Department may reasonably request from time to time.

1.10 "*Authorized Agency Closing Date*" means the date an Authorized Agency closes on the acquisition or lease of an Affordable Unit.

1.11 "*Certificate of Occupancy*" means a certificate of occupancy issued by the commissioner of the Department of Buildings of the City, certifying that a building conforms to the general, special, and structural requirements of the Chicago Building Code applicable to such building.

1.12 "*Chicago Community Land Trust*" or "*CCLT*" means the Illinois not-for-profit corporation established by ordinance adopted on January 11, 2006, and published at pages 67997 through 68004 in the Journal of Proceedings of the City Council of such date, as amended, and having as its primary mission the preservation of long-term affordability of housing units, or any successor organization.

1.13 "*City*" means the City of Chicago, Illinois, an Illinois municipal corporation and home rule unit of government, and its successors and assigns.

1.14 "*Commissioner*" means the commissioner of the Department of Planning and Development of the City, or any successor department, or his or her designee.

1.15 "*Compliance Certificate*" means an annual compliance certificate in the Department's then-current form. The Department's form as of the date hereof is attached hereto as Exhibit C.

1.16 "*Department*" means the Department of Planning and Development of the City, and any successor to said Department.

1.17 "*Developer*" means (a) the Market-Rate Developer with respect to all obligations under the ARO and this Agreement from the date hereof through the date the City issues the Release, (b) the Talman Developer with respect to all obligations under the ARO and this Agreement relating to the Talman Property from the date hereof through the expiration of the Term, and (c) the Washtenaw Developer with respect to all obligations under the ARO and this Agreement relating to the Washtenaw Property from the date hereof through the expiration of the Term.

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1.18 "*Downtown District*" means a "D" zoning district pursuant to the Chicago Zoning Ordinance, Chapter 17-4 of the Municipal Code.

1.19 "*Eligible Household*" means a Household whose combined annual income, adjusted for Household size, does not exceed 60% of AMI at the time of the first rental of an Affordable Unit by that Household.

1.20 "*Fee*" means a fee in lieu of the establishment of Affordable Units in the following amounts:

- (a) \$50,000 per unit in Low-Moderate Income Areas;
- (b) \$125,000 per unit in Higher Income Areas, or \$100,000 per unit if the developer sells or leases at least 25% of the required Affordable Units to an Authorized Agency; and
- (c) \$160,000 per unit in Downtown Districts, or \$140,000 per unit if the developer provides at least 25% of the required Affordable Units on-site or off-site, or \$115,000 per unit if the developer sells or leases at least 25% of the required Affordable Units to an Authorized Agency.

1.21 "*Final Lease Commencement Date*" means, with respect to each ARO Building, the date on which the last Affordable Unit in such building is first leased to an Eligible Household.

1.22 "*Financial Assistance*" means any assistance provided by the City through grants, direct or indirect loans, or allocation of tax credits for the development of Units.

1.23 "*Higher Income Area*" means an area that is not a Low-Moderate Income Area, provided that, if any portion of a Higher Income Area is located in a Downtown District, that portion of the area will be treated as a Downtown District for purposes of the ARO.

1.24 "*Household*" means and includes an individual, a group of unrelated individuals or a family, in each case residing in one Unit.

1.25 "*HUD*" means the United States Department of Housing and Urban Development or any successor department.

1.26 "*Larger Project(s)*" is defined in the Recitals.

1.27 "*Low-Moderate Income Area*" means an area designated by the Commissioner as a low-moderate income area in accordance with the ARO, provided, that, if any portion of a Low-Moderate Income Area is located in a Downtown District, that portion of the area will be treated as a Downtown District for purposes of the ARO.

1.28 "*Market-Rate Developer*" means, initially, 2501 Homer LLC, an Illinois limited liability company, and at any subsequent time of reference, the person or entity, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Market-Rate Project.

1.29 "*Market-Rate Project*" is defined in the Recitals.

1.30 "*Market-Rate Property*" is defined in the Recitals.

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1.31 "*Municipal Code*" means the Municipal Code of the City of Chicago.

1.32 "*Plans and Specifications*" means (i) with respect to the Talman Building, the final plans and specifications for the construction or rehabilitation of the Affordable Units in the building, and any common areas or facilities in the building or on the Talman Property, as submitted to the City as the basis for obtaining building permits for such improvements, and (ii) with respect to the Washtenaw Building, the final plans and specifications for the construction or rehabilitation of the Affordable Units in the building, and any common areas or facilities in the building or on the Washtenaw Property, as submitted to the City as the basis for obtaining building permits for such improvements. For the Washtenaw Building, the Plans and Specifications shall be deemed to include the repairs and improvements identified on Exhibit E.

1.33 "*Release*" is defined in Section 5.1.

1.34 "*Rent Limit*" means, for each Affordable Unit, the applicable maximum monthly rent as set forth in the 60% AMI column in the tables published annually by the City of Chicago in the document currently titled "*City of Chicago Maximum Affordable Monthly Rents*." As set forth in such tables, the Rent Limit for each Affordable Unit depends on the number of bedrooms, the utilities which the tenant is responsible for paying and housing type.

1.35 "*Residential Housing Project*" means one or more buildings that collectively contain ten or more new or additional housing units on one or more parcels or lots under common ownership or control, including contiguous parcels, as further described in the ARO.

1.36 "*Talman Building*" is defined in the Recitals.

1.37 "*Talman Developer*" means, initially, HIC ARO 1 LLC, an Illinois limited liability company, and at any subsequent time of reference, the person or entity, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Talman Property.

1.38 "*Talman Property*" is defined in the Recitals.

1.39 "*Tenant Income Certification*" means an annual income certification from each Eligible Household in the City's then-current form, and documentation to support the Tenant Income Certification. For an Eligible Household receiving Housing Choice Voucher rental assistance payments, such documentation may be a statement from the Chicago Housing Authority declaring that the Eligible Household's income does not exceed the applicable income limit under Section 42(g) of the Internal Revenue Code of 1986.

1.40 "*Term*" means the period beginning on the date hereof and ending on the thirtieth (30th) anniversary of the date the City issues the Release.

1.41 "*TIF Guidelines*" means those guidelines established pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, and adopted by the City Council in "An Ordinance Adopting Guidelines for Use of Tax Increment Financing Revenues for Construction of Affordable Housing" passed on July 31, 2002, and published at pages 90838-90859 of the Journal of the Proceedings of the City Council of that date.

1.42 "*Unit*" means a room or suite of rooms designed, occupied, or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided

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within the unit for the exclusive use of the occupants of the unit; provided that a "Unit" does not include dormitories, or a "hotel" as that term is defined in Section 13-4-010 of the Municipal Code.

1.43 "*Washtenaw Building*" is defined in the Recitals.

1.44 "*Washtenaw Developer*" means, initially, HIC ARO 2 LLC, an Illinois limited liability company, and at any subsequent time of reference, the person or entity, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Washtenaw Property.

1.45 "*Washtenaw Property*" is defined in the Recitals.

1.46 "*Zoning Assistance*" means a change in the zoning of property in any of the following circumstances: (a) to permit a higher floor area ratio than would otherwise be permitted in the base district, including through transit-served location floor area premiums where the underlying base district does not change; (b) to permit a higher floor area ratio or to increase the overall number of housing units than would otherwise be permitted in an existing planned development, as specified in the Bulk Regulations and Data Table, even if the underlying base district for the planned development does not change; (c) from a zoning district that does not allow household living uses to a zoning district that allows household living uses; (d) from a zoning district that does not allow household living uses on the ground floor of a building to a zoning district that permits household living uses on the ground floor; or (e) from a downtown district to a planned development, even if the underlying base district for the property does not change.

SECTION 2. TERM OF COVENANT.

2.1 Market-Rate Property. The Market-Rate Developer, for itself and its successors and assigns, agrees to be bound by the terms and provisions of this Agreement for the period commencing on the date hereof and expiring on the date the City issues the Release in accordance with Section 5 hereof. Upon the City's issuance of the Release, (a) the Market-Rate Developer shall be deemed to have satisfied its obligations under this Agreement and shall be released from this Agreement; (b) the Talman Developer shall assume all of the Market-Rate Developer's obligations under the ARO and this Agreement relating to the Talman Property, and shall be bound by the terms and provisions of this Agreement relating to the Talman Property for the remainder of the Term; and (c) the Washtenaw Developer shall assume all of the Market-Rate Developer's obligations under the ARO and this Agreement relating to the Washtenaw Property, and shall be bound by the terms and provisions of this Agreement relating to the Washtenaw Property for the remainder of the Term.

2.2 Talman Property. The Talman Developer, for itself and its successors and assigns, agrees to be bound by the terms and provisions of this Agreement relating to the Talman Property for the period commencing on the date hereof and expiring at the end of the Term.

2.3 Washtenaw Property. The Washtenaw Developer, for itself and its successors and assigns, agrees to be bound by the terms and provisions of this Agreement for the period commencing on the date hereof and expiring at the end of the Term.

SECTION 3. AGREEMENT TO RUN WITH THE LAND.

3.1 Market-Rate Property. The Market-Rate Developer hereby declares its express intent that the covenants, restrictions and agreements set forth herein shall, from the date hereof through the date the City issues the Release, be deemed covenants, restrictions and agreements

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running with the Market-Rate Property, and shall pass to and be binding upon any person or entity to whom the Market-Rate Developer may sell or assign all or any portion of its interest in the Market-Rate Property or any successor in title to all or any portion of the Market-Rate Property. If the Market-Rate Developer sells or assigns all or any portion of its interest in the Market-Rate Property, it shall notify the City within sixty (60) days of such sale or assignment.

3.2 Talman Property. The Talman Developer hereby declares its express intent that the covenants, restrictions and agreements set forth herein shall, from the date hereof through the expiration of the Term, be deemed covenants, restrictions and agreements running with the Talman Property, and shall pass to and be binding upon any person or entity to whom the Talman Developer may sell or assign all or any portion of its interest in the Talman Property or any successor in title to all or any portion of the Talman Property. If the Talman Developer sells or assigns all or any portion of its interest in the Talman Property, it shall notify the City within sixty (60) days of such sale or assignment.

3.3 Washtenaw Property. The Washtenaw Developer hereby declares its express intent that the covenants, restrictions and agreements set forth herein shall, from the date hereof through the expiration of the Term, be deemed covenants, restrictions and agreements running with the Washtenaw Property, and shall pass to and be binding upon any person or entity to whom the Washtenaw Developer may sell or assign all or any portion of its interest in the Washtenaw Property or any successor in title to all or any portion of the Washtenaw Property. If the Washtenaw Developer sells or assigns all or any portion of its interest in the Washtenaw Property, it shall notify the City within sixty (60) days of such sale or assignment.

SECTION 4. AFFORDABILITY RESTRICTIONS.

4.1 Method of Compliance.

(a) Talman Building. The Talman Developer shall comply with the ARO by establishing and maintaining (and the Market Rate Developer shall comply with the ARO by causing the Talman Developer to establish and maintain) two (2) Affordable Units, as follows:

(i) Unit 5 in the Talman Building, a 2-bedroom unit with a square footage of approximately 668 square feet;

(ii) Unit 3 in the Talman Building, a 2-bedroom unit with a square footage of approximately 600 square feet;

(b) Washtenaw Building. The Washtenaw Developer shall comply with the ARO by establishing and maintaining (and the Market Rate Developer shall comply with the ARO by causing the Washtenaw Developer to establish and maintain) three (3) Affordable Units, as follows:

(i) Unit 1 in the Washtenaw Building, a 3-bedroom unit with a square footage of approximately 1,222 square feet;

(ii) Unit 2 in the Washtenaw Building, a 3-bedroom unit with a square footage of approximately 1,269 square feet; and

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(iii) Unit 3 in the Washtenaw Building, a 3-bedroom unit with a square footage of approximately 1,257 square feet.

4.2 Standards for Construction of Affordable Units. The Affordable Units shall be constructed or rehabilitated, as the case may be, in accordance with the following minimum standards:

(a) The Affordable Units in each ARO Building shall be comparable to the Units in the Market-Rate Building in terms of unit type, number of bedrooms per unit, quality of exterior appearance, energy efficiency, and overall quality of construction.

(b) The Affordable Units in each ARO Building may have different interior finishes and features than the Units in the Market-Rate Building, as long as they are durable, of good and new quality, and are consistent with the then-current standards for new housing.

(c) The Affordable Units in each ARO Building shall have access to all on-site amenities available to the other Units in the ARO Building, including the same access to and enjoyment of common areas and facilities.

(d) The Affordable Units in each ARO Building shall have functionally equivalent parking when parking is provided to the other Units in the ARO Building. The Talman Property and the Washtenaw Property have three (3) parking spaces each. All parking spaces shall be made available to the tenants of each building on a first-come, first-served basis at no additional cost.

(e) All Affordable Units must receive Certificates of Occupancy (or, for renovations or alterations that do not require a Certificate of Occupancy, approval from the Department that such improvements have been completed in accordance with the terms of this Agreement) prior to the issuance of the first Certificate of Occupancy for the Market-Rate Project.

(f) The budget for the acquisition and construction or rehabilitation of the Affordable Units must equal or exceed the in lieu Fee that would otherwise be due for the Market-Rate Project.

(g) The Developer shall comply with the ARO Rules and Regulations that are in effect on the date hereof.

4.3 Eligible Households. The Developer shall rent the Affordable Units to Eligible Households only; provided, however, if a non-eligible tenant occupies an Affordable Unit on the date hereof, such tenant shall be permitted to remain in the Affordable Unit, and such Affordable Unit shall be deemed to be in compliance with the terms of this Agreement for so long as such tenant continues to lease such unit.

4.4 Rent Limit. The rent charged each month for any Affordable Unit (or the tenant's contribution to the rent if the tenant receives rental assistance from CHA's Housing Choice Voucher Program or another program approved by the Department) shall not exceed at any time the Rent Limit applicable to such Affordable Unit.

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4.5 Annual Compliance Certificate. On or prior to October 31 of each year during the Term, the Developer shall provide the City with a Compliance Certificate. The Developer shall obtain and keep such records as are necessary to enable it to complete the Compliance Certificate and substantiate all statements made therein.

4.6 Pre-Marketing Meeting for Affordable Units. At least 90 days before marketing any Affordable Units the Developer shall meet with the Department's Compliance Division to review the procedures for income qualifying tenants; submit a "Rental Unit Marketing Form" in the Department's then-current form (available on the Department's web site); and review the Department's ARO monitoring and reporting requirements. It is the responsibility of the Developer to ensure that this pre-marketing meeting is scheduled and held within the appropriate time frame.

4.7 Income Eligibility Verification. The Department must verify in writing that each tenant meets the income eligibility requirements of this Agreement. The Developer shall deliver to the Department any information required by the Department to confirm each tenant's income eligibility. The Department shall have ten (10) business days from the date of receipt of a "complete information package" to qualify tenants. A "complete information package" shall include, by means of illustration and not limitation, the W-2 forms from each tenant's employers, U.S. 1040 income tax returns for each member of the tenant Household from the previous two (2) years, an affidavit or verification from the tenant with regard to Household size, and the employer verification form utilized by Fannie Mae. Tenant income information must be dated within six (6) months prior to the anticipated leasing date.

4.8 Non-Discrimination. 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 rental of any Affordable Unit. Without limiting the generality of the foregoing, the Developer shall not refuse to lease any Affordable Unit to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, or of a comparable document evidencing participation in a tenant-based rental assistance program because of the status of the prospective tenant as a holder of such voucher, certificate or comparable tenant-based assistance document.

4.9 Affordable Unit Leases.

(a) All leases for the Affordable Units shall be written, shall be in conformity with all applicable laws, including without limitation, the City of Chicago Residential Landlord and Tenant Ordinance, and shall contain clauses, *inter alia*, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Tenant Income Certification, and (ii) agrees that the Household income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Developer or the City, and that the failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

(b) All leases for the Affordable Units shall be for a period of not less than one year, unless by mutual agreement of the tenant and the Developer. Notwithstanding the foregoing, rents will not be set more than one year in advance. Leases for Affordable Units shall not contain any of the following provisions:

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(i) agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Developer in a lawsuit brought in connection with the lease;

(ii) agreement by the tenant that the Developer may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties; provided, however, this prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Affordable Unit after the tenant has moved out of the unit, in which case the Developer may dispose of this personal property in accordance with applicable local and state law;

(iii) agreement by the tenant not to hold the Developer or the Developer's agents legally responsible for any action or failure to act, whether intentional or negligent;

(iv) agreement by the tenant that the Developer may institute a lawsuit without notice to the tenant;

(v) agreement by the tenant that the Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties;

(vi) agreement by the tenant to waive any right to a trial by jury;

(vii) agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; or

(viii) agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Developer against the tenant; provided, however, that the tenant may be obligated to pay costs if the tenant loses.

(c) The Developer shall not terminate the tenancy or refuse to renew the lease of a tenant of an Affordable Unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state or local law; or for other good cause. To terminate or refuse to renew tenancy, the Developer must serve written notice upon the tenant specifying the grounds for the action at least 30 days prior to the termination of tenancy. The Developer shall also comply with all local, county or state law regarding tenant protections.

(d) The Developer agrees that it shall not impose any fees for construction management or for inspections for compliance with property standards. Nothing in this Section shall prohibit the Developer from charging prospective tenants reasonable application fees (as determined by the City in its sole discretion).

(e) All tenant lists, applications and waiting lists relating to each ARO Building shall at all times be kept separate and identifiable from any other business of the Developer which is unrelated to the ARO Building, shall be maintained, as required by the City, in a reasonable condition for proper audit and shall be subject to examination during business hours by representatives of the City. If the Developer employs a management

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agent for the ARO Building, the Developer shall require such agent to comply with the requirements of this Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the ARO Building.

4.10 Maintenance of the ARO Buildings. The Developer shall, at all times during the Term, maintain the ARO Buildings in decent, safe, and sanitary condition and in good repair. The Affordable Units must be free of all health and safety defects and must meet the lead-based paint requirements in 24 CFR part 35 and all applicable State and local housing quality standards, code requirements and ordinances. The Developer shall keep each ARO Building in compliance with the Department's Multi-Unit Rehabilitation Construction Guidelines, as such guidelines may be amended from time to time.

4.11 Management of the ARO Buildings. The Developer shall provide for the management of each ARO Building in a manner that is consistent with accepted practices and industry standards for the management of multi-family market rate rental housing.

4.12 City's Right to Inspect Property. The City shall have the right to inspect the ARO Buildings and the Affordable Units at all reasonable times during the construction period for the purpose of determining whether the Developer is constructing or rehabilitating the Affordable Units and common areas and facilities in accordance with the terms of this Agreement. Following construction, the City shall have the right to inspect the ARO Buildings and the Affordable Units on at least an annual basis to ensure compliance with the leasing, management, maintenance and other obligations of this Agreement. The City may require additional inspections as determined necessary by the City based on monitoring results. The City shall provide the Developer with reasonable notice prior to any inspection.

SECTION 5. CONDITIONS PRECEDENT TO ISSUANCE OF RELEASE.

5.1 Upon satisfaction of the requirements set forth in this Section 5, and upon the Market-Rate Developer's written request, which shall include a final budget detailing and documenting the total actual cost of the acquisition and rehabilitation of the Affordable Units, the Department shall issue to the Market-Rate Developer a release ("Release") in recordable form certifying that the Market-Rate Developer has fulfilled its obligations to establish the Affordable Units in accordance with the terms of this Agreement and that its remaining obligations may now be assumed by the Talman Developer and the Washtenaw Developer. The Release shall not, however, constitute evidence that the Market-Rate Developer has complied with any laws relating to the construction or rehabilitation of the Affordable Units or the ARO Buildings, and shall not serve as any "guaranty" as to the quality of the construction.

5.2 A Release will not be issued until the following requirements have been satisfied:

(a) The construction or rehabilitation, as applicable, of the Affordable Units and common areas and facilities in each ARO Building has been completed in accordance with the approved Plans and Specifications, including the repairs and improvements identified on Exhibit E, and each Affordable Unit has received a Certificate of Occupancy (or, for renovations or alterations that do not require Certificates of Occupancy, the Department has inspected the Affordable Units and common areas and facilities and determined that the improvements have been completed in accordance with the terms of this Agreement).

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(b) The Department of Buildings has issued a Certificate of Inspection for the Affordable Units and common areas and facilities in each ARO Building

(c) Each of the Affordable Units has been leased to an Eligible Household in accordance with the terms of this Agreement, and each lease is in full force and effect.

(d) There exists neither an Event of Default nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

5.3 Within thirty (30) days after receipt of a written request by the Market-Rate Developer for a Release, the Department shall provide the Market-Rate Developer with either the Release or a written statement indicating in adequate detail how the Market-Rate Developer has failed to satisfy the foregoing conditions, or is otherwise in default, and what measures or acts will be necessary for the Market-Rate Developer to take or perform in order to obtain the Release. If the Department requires additional measures or acts to assure compliance, the Market-Rate Developer shall resubmit a written request for the Release upon compliance with the Department's response.

SECTION 6. REMEDIES AND ENFORCEABILITY.

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

6.2 Cure. If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have thirty (30) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion. Notwithstanding the foregoing, no notice or cure period shall apply to defaults under Section 6.3(a) and 6.3(c).

6.3 Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Agreement:

(a) The Developer fails to provide the number and type of Affordable Units required pursuant to Section 4.1.

(b) The Developer fails to comply with the construction standards set forth in Section 4.2.

(c) The Developer leases an Affordable Unit to a Household that is not an Eligible Household in violation of Section 4.3, or at a price in excess of the Rent Limit in violation of Section 4.4.

(d) The Developer fails to comply with the leasing procedures set forth in Section 4.5.

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

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(f) The Developer fails to perform, keep or observe any of the other covenants, conditions, promises, agreements or obligations under this Agreement or any other written agreement entered into with the City with respect to each ARO Building.

6.4 **Remedies.** If an Event of Default occurs, and the default is not cured in the time period provided for in Section 6.2 (if applicable), the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any remedy specified in the ARO, including, with respect to any violation of Section 6.3(a), the imposition of a fine in an amount equal to two times the required Fee and the revocation of the Developer's residential real estate developer license, and with respect to a violation of Section 6.3(c), the imposition of a fee in the amount of \$500.00 per Affordable Unit per day for each day that the Developer is in noncompliance. The Developer further acknowledges and agrees that, in the event the Developer fails to convert the market rate residential units to Affordable Units as provided in this Agreement, no certificate of occupancy shall be approved for the Market-Rate Project.

SECTION 7. DEVELOPER'S REPRESENTATIONS AND COVENANTS.

The Market-Rate Developer, the Talman Developer and the Washtenaw Developer each hereby represents, warrants, covenants and agrees as follows:

7.1 Each entity is an Illinois 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, as applicable, the Market-Rate Property, the Talman Property, and the Washtenaw Property, and the person signing this Agreement on behalf of each entity has the authority to do so.

7.2 Each entity has the right, power and authority to enter into, execute, deliver and perform this Agreement. Each entity's execution, delivery and performance of this Agreement has been duly authorized by all necessary action, and does not and will not violate such entity's articles of organization or operating agreement, or any applicable laws, nor will such execution, delivery and performance, upon the giving of notice or lapse of time or both, result in a breach or violation of, or constitute a default under, or require any consent under, any other agreement, instrument or document to which such entity, or any party affiliated with such entity, is a party or by which such entity or the Market-Rate Property, the Talman Property or the Washtenaw Property is now or may become bound.

7.3 All of the statements, representations and warranties contained in the Affordable Housing Profile Form, and any other document submitted by the Market-Rate Developer, the Talman Developer, or the Washtenaw Developer, to the City in connection with this Agreement are true, accurate and complete.

SECTION 8. GENERAL PROVISIONS.

8.1 **Governing Law/Binding Effect.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflict of laws principles. Each of the parties hereto warrants and represents that this Agreement is valid, binding and enforceable against them in accordance with the terms and conditions of Illinois law.

8.2 **Modification.** This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived

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or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term

8.3 Notices. Unless otherwise specified, any notice, demand, request or other communication required hereunder shall be given in writing, to the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, including email; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested:

If to the City: City of Chicago
Department of Planning & Development
121 North LaSalle Street, Room 1003
Chicago, Illinois 60602
Attn: Commissioner

With a copy to: City of Chicago
Department of Law
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attn: Real Estate and Land Use Division

If to the Market-Rate Developer: 2501 Homer LLC
c/o The Harlem Irving Companies, Inc.
4104 North Harlem Avenue
Norridge, Illinois 60706
Attn: President

With a copy to: 2501 Homer LLC
c/o The Harlem Irving Companies, Inc.
4104 North Harlem Avenue
Norridge, Illinois 60706
Attn: General Counsel

If to the Talman Developer: HIC ARO 1 LLC
c/o The Harlem Irving Companies, Inc.
4104 North Harlem Avenue
Norridge, Illinois 60706
Attn.: President

With a copy to: HIC ARO 1 LLC
c/o The Harlem Irving Companies, Inc.
4104 North Harlem Avenue
Norridge, Illinois 60706
Attn: General Counsel

If to the Washtenaw Developer: HIC ARO 2 LLC
c/o The Harlem Irving Companies, Inc.
4104 North Harlem Avenue
Norridge, Illinois 60706
Attn.: President

With a copy to: HIC ARO 2 LLC

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c/o The Harlem Irving Companies, Inc.
4104 North Harlem Avenue
Norridge, Illinois 60706
Attn: General Counsel

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, request or other communication sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand, request or other communication sent pursuant to clause (c) above shall be deemed received on the business day immediately following deposit with the overnight courier, and any notice, demand, request or other communication sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

8.4 Indemnification. The Developer hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Developer's responses or documents provided pursuant to the terms of this Agreement or the Compliance Certificate, including breaches of the representations and warranties herein and therein contained.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Agreement.

8.6 Effective Date. This Agreement shall be deemed to be in effect as of the date first set forth above.

8.7 Exhibits. All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

8.8 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

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

8.10 No Third Party Benefits. This Agreement is made for the sole benefit of the City and the Developer and their respective successors and assigns and, except as otherwise expressly provided herein, no other party shall have any legal interest of any kind hereunder or by reason of this Agreement. Whether or not the City elects to employ any or all of the rights, powers or remedies available to it hereunder, the City shall have no obligation or liability of any kind to any third party by reason of this Agreement or any of the City's actions or omissions pursuant hereto or otherwise in connection herewith.

8.11 No Waiver. No waiver by the City with respect to any specific default by the Developer shall be deemed to be a waiver of the rights of the City with respect to any other

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defaults of the Developer, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing.

8.12 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

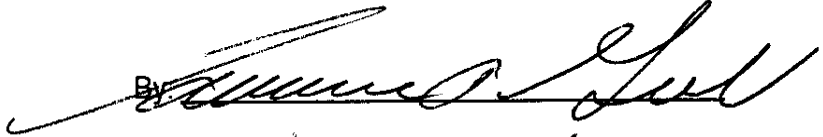
Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

MARKET-RATE DEVELOPER:

2501 Homer LLC, an Illinois limited liability company

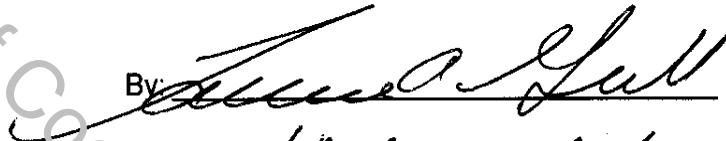
By: 

Name: LAWRENCE A. GELLACH

Title: VICE PRESIDENT

TALMAN DEVELOPER:

HIC ARO 1 LLC, an Illinois limited liability company

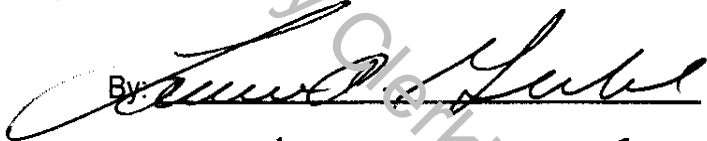
By: 

Name: LAWRENCE A. GELLACH

Title: VICE PRESIDENT

WASHTENAW DEVELOPER:

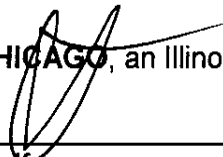
HIC ARO 1 LLC, an Illinois limited liability company

By: 

Name: LAWRENCE A. GELLACH

Title: VICE PRESIDENT

CITY OF CHICAGO, an Illinois municipal corporation

By: 

David Reifman
Commissioner of Planning and Development

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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that LAWRENCE A. GELLER personally known to me to be the Vice President of HIC ARO 1 LLC ("LLC 1"), an Illinois limited liability company, and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President he signed and delivered the foregoing instrument pursuant to authority given by the Board of LLC 1, as his free and voluntary act and deed and as the free and voluntary act and deed of LLC 1, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 22nd day of August, 2016.

Bridget E Torres
Notary Public

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)



I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that LAWRENCE A. GELLER, personally known to me to be the Vice President of HIC ARO 2 LLC ("LLC 2"), an Illinois limited liability company, and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President he signed and delivered the foregoing instrument pursuant to authority given by the Board of LLC2, as his free and voluntary act and deed and as the free and voluntary act and deed of LLC 2, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 22nd day of August, 2016.

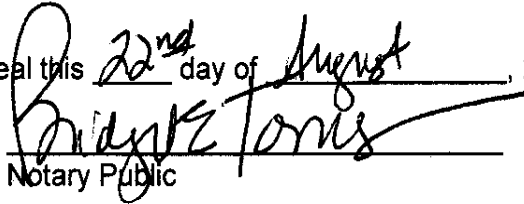
Bridget E Torres
Notary Public



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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that LAWRENCE A. GELMAN personally known to me to be the Vice President of 2501 Homer LLC (the "Market-Rate LLC"), an Illinois limited liability company, and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President he signed and delivered the foregoing instrument pursuant to authority given by the Board of the LLC, as his free and voluntary act and deed and as the free and voluntary act and deed of the LLC, for the uses and purposes therein set forth.

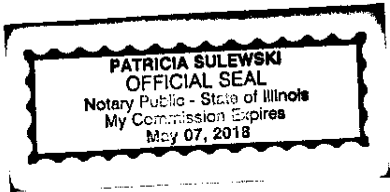
GIVEN under my hand and official seal this 22nd day of August, 2016.

Notary Public

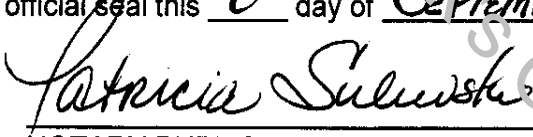
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)



I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that David Reifman, the Commissioner of the Department of Planning and Development of the City of Chicago, an Illinois municipal corporation ("City"), 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 said Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City as his free and voluntary act and as the free and voluntary act and deed of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 6th day of SEPTEMBER, 2016.




NOTARY PUBLIC

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EXHIBIT A

LEGAL DESCRIPTION OF MARKET-RATE PROPERTY

PARCEL 1:

LOTS 1 TO 10, BOTH INCLUSIVE, IN BLOCK 2 IN B. F. JACOB'S SUBDIVISION OF BLOCK 2 IN JOHNSTON'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: COMMONLY KNOWN AS SWC OF HOMER ST./CAMPBELL AVE.
TO NWC CORTLAND ST./CAMPBELL AVENUE, CHICAGO, IL 60647

PIN: 13-36-407-040-0000

PARCEL 2:

LOTS 2 AND 3 IN PETER'S SUBDIVISION OF LOTS 11 TO 25 INCLUSIVE, IN BLOCK 2 IN B. F. JACOB'S SUBDIVISION OF BLOCK 2 IN JOHNSTON'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: COMMONLY KNOWN AS SWC OF HOMER ST./CAMPBELL AVE.
TO NWC CORTLAND ST./CAMPBELL AVENUE, CHICAGO, IL 60647

PIN: 13-36-407-012-0000

PARCEL 3:

LOT 1 IN THE SUBDIVISION OF LOTS 11 TO 25 INCLUSIVE, IN BLOCK 2 IN JACOB'S SUBDIVISION OF BLOCK 2 IN JOHNSTON'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: COMMONLY KNOWN AS SWC OF HOMER ST./CAMPBELL AVE.
TO NWC CORTLAND ST./CAMPBELL AVENUE, CHICAGO, IL 60647

PIN: 13-36-407-013-0000

PARCEL 4:

LOTS 42 TO 50, BOTH INCLUSIVE, IN BLOCK 2 IN B. F. JACOBS SUBDIVISION OF BLOCK 2, IN JOHNSTON'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4

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OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: COMMONLY KNOWN AS SWC OF HOMER ST./CAMPBELL AVE.
TO NWC CORTLAND ST./CAMPBELL AVENUE, CHICAGO, IL 60647

PIN: 13-36-407-034-0000
13-36-407-035-0000
13-36-407-036-0000
13-36-407-037-0000
13-36-407-038-0000
13-36-407-039-0000

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EXHIBIT A-1

LEGAL DESCRIPTION OF OFF-SITE PROPERTY

TALMAN PROPERTY:

LOT 14 IN BOETTCHER'S SUBDIVISION OF LOTS 1, 2 AND 3 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

ADDRESS: 1623 NORTH TALMAN AVENUE
CHICAGO, ILLINOIS 60647

PIN: 13-06-428-014

WASHTENAW PROPERTY:

THE SOUTH 16 2/3 FEET OF LOT 44 AND THE NORTH 16 2/3 OF LOT 43 IN BLOCK 7 IN HARVEY M. THOMPSON'S SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1447 NORTH WASHTENAW AVENUE
CHICAGO, ILLINOIS 60622

PIN: 16-01-210-005

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EXHIBIT B

AFFORDABLE HOUSING PROFILE FORM

(ATTACHED)

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2007 Affordable Housing Profile Form (Rental) *

Submit this form to the Department of Planning & Development (DPD) for projects that are subject to the 2007 ARO. Projects submitted after October 13, 2015 – or that do not receive City Council approval by July 13, 2016 – will be subject to the 2015 ARO. More information is online at www.cityofchicago.org/ARO.

This completed form should be returned to: Kara Breems, DPD, 121 N. LaSalle Street, Chicago, IL 60602. E-mail: kara.breems@cityofchicago.org Telephone: (312) 744-6476

Date:

SECTION 1: DEVELOPMENT INFORMATION

Development Name: Homer Cortland Development
 Development Address: 2500 - 20 W. Cortland/1900 - 24 N. Campbell/2501 - 31 W. Homer St.
 Ward: 11

If you are working with a Planner at the City, what is his/her name? Dan Klaiber

- Type of City involvement: (check all that apply)
- City Land
 - Financial Assistance (If receiving TIF assistance, will TIF funds be used for housing construction? If yes, please provide copy of the TIF Eligible Expenses
 - Zoning increase and/or PD

SECTION 2: DEVELOPER INFORMATION

Developer Name: Guardian Properties, LLC
 Developer Contact (Project Coordinator): Brian Duggan
 Developer Address: 30 E. Adams St., Suite 200, Chicago, IL 60603
 Email address: brian@guardianproperties.com
 Telephone Number: 773-426-8773

SECTION 3: DEVELOPMENT INFORMATION

a) Affordable units required

For ARO projects: $49 \times 10\% = 5$ (always round up)
 Total units total affordable units required
 *20% if TIF assistance is provided

For Density Bonus projects: _____ X 25% = _____
 Bonus Square Footage* Affordable sq. footage required

*Note that the maximum allowed bonus is 20% of base FAR in dash-5; 25% in dash-7 or -10; and 30% of base FAR in dash-12 or -16 (www.cityofchicago.org/zoning for zoning info).

b) building details

In addition to water, which of the following utilities will be included in the rent (circle applicable):

- Cooking gas
 electric
 gas heat
 electric heat
 other (describe or back)

Is parking included in the rent for the: affordable units? yes no market-rate units? yes no

If parking is not included, what is the monthly cost per space? Parking will not be reserved and will be available on a first-come, first-served basis daily

Estimated date for the commencement of marketing: 6-1-2016

* If the developer elects to provide For-Sale units, DPD will need to review and approve a revised AHP. The For Sale units would be subject to 2-45-115 of the Municipal Code.

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Estimated date for completion of construction of the affordable units:

For each unit configuration, fill out a separate row, as applicable (see example).

	Unit Type*	Number of Units	Number of Bedrooms/Unit	Total Square Footage/Unit	Expected Market Rent	Proposed Affordable Rent*	Proposed Level of Affordability (60% or less of AMI)	Unit Mix OK to proceed?
Example	1 bed/1 bath	1	1	900	\$1000	750	75%	<input type="checkbox"/>
Affordable Units	2 bed/1 bath	1	2	850	\$1400	900	60%	<input checked="" type="checkbox"/>
	2 bed/1 bath	1	2	640	\$1200	900	60%	<input checked="" type="checkbox"/>
	3 bed/1 bath	3	3	1200	\$1800	1041	60%	<input type="checkbox"/>
Market Rate Units	2 bed	21	2	1866-2063	For Sale	N/A	N/A	<input type="checkbox"/>
	3 bed	28	3	2187-2489	For Sale	N/A	N/A	<input type="checkbox"/>
						N/A	N/A	<input type="checkbox"/>

*Rent amounts updated annually in the City of Chicago's Maximum Affordable Monthly Rent Chart

SECTION 4: PAYMENT IN LIEU OF UNITS

When do you expect to make the payment -in-lieu?
(typically corresponds with issuance of building permits) Month/Year

For ARO projects, use the following formula to calculate payment owed:

$$\frac{\text{Number of total units in development}}{\text{Number of total units in development}} \times 10\% = \frac{\text{Amount owed}}{\text{Amount owed}} \times \$100,000 = \$$$

(round up to nearest whole number)



For Density Bonus projects, use the following formula to calculate payment owed:

$$\text{Bonus Floor Area (sq ft)} \times 80\% \times \$ \text{median price per base FAR foot} = \$ \text{Amount owed}$$

(from table below)

Submarket (Table for use with the Density Bonus fees-in-lieu calculations)	Median Land Price per Base FAR Foot
Loop; Chicago River on north/west; Congress on south; Lake Shore Dr on east	\$31
North; Division on north; Chicago River on south/west; Lake Shore Dr. on east	\$43
South; Congress on north; Stevenson on south; Chicago River on west; Lake Shore Dr. on east	\$22
West; Lake on north; Congress on south; Chicago River on east; Racine on west	\$29

Authorization to Proceed (to be completed by Developer & DPD)

 * 12-17-15
 Kara Breems, DPD Date

 Developer/Project Manager Date 12-14-15

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EXHIBIT C

COMPLIANCE CERTIFICATE

CITY OF CHICAGO DEPARTMENT OF PLANNING AND DEVELOPMENT

ANNUAL OWNER'S CERTIFICATION FOR PROJECT SUBJECT TO AFFORDABLE REQUIREMENTS ORDINANCE UNDER THE MUNICIPAL CODE OF CHICAGO

Owner: _____

Project Name: _____

Project Address: _____

Date: _____

Owner Federal Employer Identification Number: _____

The Owner has executed an Affordable Housing Agreement ("**Agreement**") for the benefit of the City of Chicago (the "**City**"). The Agreement was filed with the Office of the Recorder of Deeds of Cook County, Illinois, on _____ (month/date/year). Pursuant to the Agreement, the Owner is required to maintain certain records concerning the Project and the City is authorized to monitor the Project's compliance with the requirements of the Agreement. This Annual Owner's Certification for Project Subject to the Affordable Requirements Ordinance ("**Compliance Certificate**") must be completed in its entirety and must be executed by the Owner, notarized and returned to the Department of Planning and Development ("**Department**") by October 31 of each year until the expiration of the term of the Agreement. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the same meanings given to such terms in the Agreement.

All forms, including updates to this Compliance Certificate, department contacts, income limits, maximum allowable rents, and guidance for calculating household income are available on the Department's website, or by contacting the Department directly at 312-744-4190 and requesting to speak with someone regarding ARO Compliance.

A. INFORMATION

1. Please list the address for each building included in the Project. (If necessary, use a separate sheet of paper and attach it to this document.)

Building Address(es):

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2. Has any change occurred, either directly or indirectly, (a) in the identity of the Owner, (b) in the identity of any shareholder, partner, member, trustee or other entity holding an ownership interest in the Owner, or (c) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Owner since the date of the Agreement or the most recent Annual Owner's Certification?

Yes _____ No _____

If Yes, provide all the appropriate documents.

3. Have the Owner's organizational documents been amended or otherwise modified since they were submitted to the City?

Yes _____ No _____

If Yes, provide all amendments and modifications of the Owner's organizational documents.

B. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Owner hereby represents and warrants to the City that each of the following statements is true and accurate and covenants as follows:

1. The Owner is [check as applicable].
 - (a) _____ an individual
 - (b) _____ a group of individuals
 - (c) _____ a corporation incorporated and in good standing in the State of _____
 - (d) _____ a general partnership organized under the laws of the State of _____
 - (e) _____ a limited partnership organized under the laws of the State of _____
 - (f) _____ a limited liability company organized under the laws of the State of _____
 - (g) _____ other [please describe]: _____

2. The Owner is [check as applicable] (a) _____ the owner of fee simple title to, or (b) _____ the owner of 100 percent of the beneficial interest in, the Project.

3. The Project consists of _____ building(s) containing a total of _____ residential unit(s), with total rentable square feet of _____.

4. (a) The Agreement requires the Owner to rent _____ (____) of the residential units in the Project (the "**Affordable Unit(s)**") to individuals whose income is 60 percent or less of the Chicago Primary Metropolitan Statistical Area median income ("**Low-Income Households**").
 - (b) For the 12-month period preceding the date hereof (the "**Year**"): _____

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- (i) the Affordable Units in the Project (as identified in paragraph 8 below) were occupied or available for occupancy by Low-Income Households;
- (ii) the Owner received an annual income certification from each Low-Income Household at the time of the first rental by that household and documentation to support such certification;
- (iii) all of the units in the Project were for use by the general public and used on a non-transient basis;
- (iv) each building in the Project was suitable for occupancy, taking into account the health, safety and building codes of the City; and
- (v) if an Affordable Unit became vacant during the Year, reasonable attempts were or are being made to rent such Affordable Unit or the next available residential unit in the Project of a comparable size to one or more Low-Income Households.

5. I have attached the Affordable Housing Profile Form signed by the Department for this Project and acknowledge that I must provide the number and types of affordable units specified in that document.

6. I have attached copies of the first and last pages of the lease for each of the Affordable Units listed in paragraph 8 below. For any new tenants, I have attached copies of all documents required to certify that they are income-eligible.

7. For this Project, tenants pay for the following utilities [check as applicable]:

- (a) electric heat
- (b) cooking gas
- (c) other electric
- (d) gas heat
- (e) electric cooking

8. The following information accurately describes the Affordable Units required in this Project, as of today's date:

	Unit #	Number of bedrooms	Sq. Ft.	Rent charged	Household size	Household income	Date household income most recently calculated
1.	3 in Talman Building	2	640	\$900			
2.	5 in Talman Building	2	668	\$900			
3.	1 in	3	1,222	\$1,041			

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	Washtenaw Building						
4.	2 in Washtenaw Building	3	1,269	\$1,041			
5.	3 in Washtenaw Building	3	1,257	\$1,041			

9. The Project is in compliance with all of the currently applicable requirements of the Agreement. The Owner will take whatever commercially reasonable action is required to ensure that the Project complies with all requirements imposed by the Agreement during the periods required thereby.

The Owner shall retain, for the period required under the Agreement, as from time to time amended and supplemented, all tenant selection documents, which include but are not limited to: income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by the City or its representative. The City, at its option, can periodically inspect the Project, and all tenancy-related documents to determine continued compliance of the Project with all applicable requirements.

10. No litigation or proceedings have been threatened or are pending which may affect the interest of the Owner in the Project or the ability of the Owner to perform its obligations with respect thereto.

11. All Units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.

12. The Owner has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other than rental housing. The Owner has used its commercially reasonable best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Affordable Housing Profile Form attached to the Agreement.

13. The Owner has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Agreement. The Owner shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by the Agreement and the City or the City's counsel.

If the Owner is unable to make any representation or warranty set forth above, the Owner must immediately contact the City and inform the City of the reason that the Owner is unable to make such representation or warranty.

Under penalties of perjury, the Owner declares that, to the best of its knowledge and belief, each response, representation, warranty and document delivered by the Owner in

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connection herewith is true, correct and complete and will continue to be true, correct and complete.

C. PENALTIES FOR NONCOMPLIANCE

Upon the rental of any Affordable Unit at a rental price in excess of what is permitted by Section 4.4 of the Agreement, or to a Household that is not a Low-Income Household, Owner shall pay to the City a fee ("**Fee**") of \$500.00 per Affordable Unit per day for each day that the Owner is in noncompliance.

In addition to the foregoing remedy, the City may seek an injunction or other equitable relief in court to stop any violation of the Agreement and to recover any funds improperly obtained from any rental of an Affordable Unit in violation of the Agreement, plus costs and interest at the rate prescribed by law from the date a violation occurred.

D. INDEMNIFICATION

The Owner hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Owner's responses or documents provided pursuant to the terms of this Compliance Certificate and the Agreement, including breaches of the representations and warranties herein and therein contained.

IN WITNESS WHEREOF, the Owner has executed this Annual Owner's Certification this day of _____, _____.

Owner: _____

By: _____

Its: _____

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public
(SEAL)

UNOFFICIAL COPY**EXHIBIT D****PRELIMINARY PROJECT BUDGET FOR OFF-SITE AFFORDABLE UNITS***

	1447 N. Washtenaw	1623 N. Talman
Purchase Price	\$794,200	\$872,575
Closing Costs	\$10,000	\$10,000
Unit Updates	\$80,000	\$100,000
Total Costs	\$884,200	\$982,575
Number of Units	4	5
Cost Per Unit	\$221,050	\$196,515
Number of ARO Units	3	2
Total ARO Price	\$663,150	\$393,030
Total ARO Price all units	\$1,056,180	
Average ARO Price / Unit	\$211,236	

*Amounts estimated.

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EXHIBIT E

REQUIRED IMPROVEMENTS

1447 N Washtenaw, Unit 1 (garden)

- Bathroom
 - New ceramic wood-grained floor tile
 - Shower surround tiles and grout cleaned thoroughly
 - New vanity, mirror, vanity light
 - New toilet
- Kitchen
 - New appliances in black or stainless steel
 - New range hood to match appliances
 - New light fixtures, including pendants over bar counter
 - New countertops to match 1st floor unit
 - New cabinets to match first floor unit
- General
 - Clean tile floor, including grout
 - Replace carpet in bedrooms
 - Clean HVAC air intake vents
 - Address issue of potential flooding from rear porch
 - Unit painted and cleaned

1447 N Washtenaw, Unit 1 (garden)

- Repair leak in common laundry room