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

Rick Wendy
City of Chicago Department of Law
Real Estate and Land Use Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602



Doc# 1714416096 Fee \$90.00

RHSP FEE: \$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 05/24/2017 02:37 PM PG: 1 OF 27

(The Above Space for Recorder's Use Only)

AFFORDABLE HOUSING COVENANT AND AGREEMENT

NOTICE

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

THIS AFFORDABLE HOUSING COVENANT AND AGREEMENT (this "**Agreement**") is made on or as of May 19, 2017, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("**City**"), acting by and through its Department of Planning and Development ("**Department**"), and **1911 W IRVING PARK LLC**, an Illinois limited liability company ("**Developer**"). Capitalized terms not otherwise defined herein shall have the meanings given in Section 1.

RECITALS

A. The Developer is the owner of the property located at 1911-1921 West Irving Park Road, Chicago, Illinois, and legally described on Exhibit A attached hereto (the "**Property**").

B. The City Council, by ordinance adopted on November 16, 2016, approved the rezoning of the Property from B1-2 (Neighborhood Shopping District) to B1-3 (Neighborhood Shopping District) through a Type 1 zoning map amendment for the construction of a 24-unit mixed-use development (the "**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 Developer acknowledges and agrees that the Project is a Residential Housing Project (as defined in Section 1 below) within the meaning of the ARO, and that the rezoning of the Property for the 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 ARO units, or provide the ARO units in an approved off-site location; (ii) pay a fee in lieu of the development of the ARO 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 ARO 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 ARO units in an off-site location, the off-site ARO 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 Project is located in a Higher Income Area and constitutes a Larger Project. As a result, the Developer's ARO obligation is 2 Affordable Units (10% of 24, rounded down), one of which is a Required Unit (25% of 2, rounded up) and must be provided on- or off-site.

H. The Developer has submitted, and the Department has approved, a proposal to provide two (2) Affordable Units on-site.

I. Prior to the issuance of a building permit for any project subject to the ARO, the developer must do one or both of the following, as applicable: (i) execute and record an affordable housing agreement against the project (or off-site location) to secure the developer's obligation to provide Affordable Units on- or off-site, and/or (ii) pay the required in lieu Fee.

J. The Developer is executing this Agreement to satisfy (i) above relating to the establishment of the Required Unit.

NOW THEREFORE, the Developer covenants and agrees 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.

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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 Project.

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

1.4 “*Affordable Units*” means those Units in the Project and/or, if applicable, an approved off-site location 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 “*Agent*” means any contractor or other agent, entity or individual acting under the control or at the request of a party.

1.6 “*Agreement*” means this Affordable Housing Covenant and Agreement, as supplemented, amended and restated from time to time.

1.7 “*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.

1.8 “*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 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 from the Developer, or (b) a 30-year deed restriction or similar instrument, if the Authorized Agency is purchasing the Affordable Unit from the Developer. 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 “*City*” means the City of Chicago, Illinois, an Illinois municipal corporation and home rule unit of government, and its successors and assigns.

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

1.13 “*Completion Date*” means the earlier of (a) the issuance of the certificate of occupancy for the Project (or the residential portion of the Project if the Project is a mixed-use development), or (b) the first day of the initial lease of Units in the Project.

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1.14 "*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.

1.15 "*Department*" means the Department of Planning and Development of the City or any successor department.

1.16 "*Developer*" is defined in the Recitals.

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

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

1.19 "*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) \$175,000 per unit in Downtown Districts, or \$150,000 per unit if the developer sells or leases at least 25% of the required Affordable Units to an Authorized Agency.

1.20 "*Final Lease Commencement Date*" means the date on which the last Affordable Unit in the Project is first leased to an Eligible Household.

1.21 "*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.

1.22 "*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.

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

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

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

1.26 "*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

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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.

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

1.28 "*Project*" is defined in the Recitals.

1.29 "*Property*" is defined in the Recitals.

1.30 "*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.

1.31 "*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.

1.32 "*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.

1.33 "*Term*" is defined in Section 2.

1.34 "*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.

1.35 "*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 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.

1.36 "*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

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downtown district to a planned development, even if the underlying base district for the property does not change.

SECTION 2. TERM OF COVENANT. The Developer, for itself and its successors and assigns, agrees to be bound by the terms and provisions of this Agreement for the period (the "Term") commencing on the date hereof and expiring on the thirtieth (30th) anniversary of the Final Lease Commencement Date; provided, however, if any Affordable Unit is converted to a condominium unit within the Term, a new affordability period of 30 years shall begin on the date of the initial sale of such condominium unit in accordance with Section 2-45-115(H)(2). The Developer shall provide written notice to the Department within thirty (30) days of the Completion Date.

SECTION 3. AGREEMENT TO RUN WITH THE LAND. The Developer hereby declares its express intent that the covenants, restrictions and agreements set forth herein shall be deemed covenants, restrictions and agreements running with the land from the date hereof to the expiration of the Term and shall pass to and be binding upon any person or entity to whom Developer may sell or assign all or a portion of its interest in the Property or Project or any successor in title to all or a portion of the Property or Project. If the Developer sells or assigns all or any portion of the Property or Project, it shall notify the City within sixty (60) days of such sale or assignment.

SECTION 4. AFFORDABILITY RESTRICTIONS.

4.1 Method of Compliance.

(a) *Construction of Affordable Units in the Project.* The Developer shall establish and maintain two (2) Affordable Units in the Project. The first Affordable Unit shall contain zero bedrooms and approximately 220 square feet. The second Affordable Unit shall contain one bedroom and approximately 575 square feet, and shall be accessible to persons with disabilities.

(b) *Payment of In Lieu Fee.* Not applicable.

4.2 Standards for Construction of Affordable Units. The Affordable Units in the Project (and/or the Off-Site Development if applicable) shall be constructed or rehabilitated, as the case may be, in accordance with the following minimum standards:

(a) *Distribution.* The Affordable Units shall be reasonably dispersed throughout the Project such that no single building or floor therein has a disproportionate percentage of Affordable Units. This requirement does not apply to Affordable Units in Off-Site Developments.

(b) *Comparable to Market-Rate Units.* The Affordable Units shall be comparable to the market-rate Units in the Project in terms of unit type, number of bedrooms per unit, quality of exterior appearance, energy efficiency, and overall quality of construction; provided, however, with the Commissioner's approval, (i) lots for Affordable Units may be smaller than lots for market-rate Units, (ii) one-story condominium units may be substituted for multi-story townhomes, and (iii) attached homes may be substituted for detached homes.

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(c) *Interior Finishes and Features.* The Affordable Units may have different interior finishes and features than market-rate Units in the Project, as long as such finishes and features are durable, of good and new quality, and are consistent with then-current standards for new housing.

(d) *On-Site Amenities.* The Affordable Units shall have access to all on-site amenities available to the market-rate Units in the Project (and/or the Off-Site Development if applicable), including the same access to, and enjoyment of, common areas and facilities.

(e) *Parking.* The Affordable Units shall have functionally equivalent parking when parking is provided to the other Units in the Project (and/or Off-Site Development if applicable).

(f) *Timing of Construction of Affordable Units.* All Affordable Units in the Project shall be constructed, completed, ready for occupancy, and marketed concurrently with or prior to the market-rate Units in the Project. All off-site Affordable Units must receive certificates of occupancy prior to the issuance of the first certificate of occupancy for any market-rate Unit in the Project. At the Department's request, the Developer shall provide a report, in a form acceptable to the Department, on the progress of the construction of the Affordable Units in relation to the construction of the market-rate Units. Notwithstanding the foregoing, the Commissioner may approve an alternative timing plan, provided the Developer posts a bond or similar security in accordance with Section 2-45-115(U)(7) of the ARO.

(g) *Budget for Construction of Off Site Affordable Units.* Not Applicable.

(h) *Compliance with Rules and Regulations.* The Developer shall comply with the rules and regulations adopted by the Commissioner from time to time during the Term pursuant to Section 2-45-115(O).

4.3 Eligible Households. The Developer shall rent the Affordable Units to Eligible Households only; provided, however, in the case of existing units that are being converted to Affordable Units, 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.

4.5 Annual Compliance Certificate. On or prior to June 30 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 qualifying tenants as income-eligible; submit a "Rental Unit Marketing

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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 in writing and shall conform with all applicable laws, including without limitation, the City of Chicago Residential Landlord and Tenant Ordinance, as such ordinance may be amended or restated from time to time, and shall contain clauses, *inter alia*, wherein each individual tenant: (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 the tenant and the Developer mutually agree upon a different time period. Notwithstanding the foregoing, the Developer may not set rents more than one year in advance. Leases for Affordable Units shall not contain any of the following provisions:

(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

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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 any Agent of the Developer 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 applicable state and local laws 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 subsection 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 the Affordable Units shall at all times be kept separate and identifiable from any other business of the Developer which is unrelated to the Affordable Units, 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 agent for the Project, 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 Project.

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4.10 Maintenance of the Affordable Units. The Developer shall, at all times during the Term, maintain the Affordable Units and common areas in the Project 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 Affordable Unit 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 Project. The Developer shall provide for the management of the Project 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 Project 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 Project 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.

4.13 Timing of Leasing. If on the date that is six (6) months following the Completion Date, the Affordable Units are not rented or available for rental by Eligible Households, then Developer shall be in breach of this Agreement and subject to the City's remedies set forth in Section 5. The Department may, in its sole discretion, extend such 6-month period based on the initial leasing of the Units in the Project.

SECTION 5. REMEDIES AND ENFORCEABILITY

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

5.2 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 Sections 5.3(a) and 5.3(c).

5.3 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.

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(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.

(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 the Project.

5.4 Remedies. If an Event of Default occurs, and the default is not cured in the time period provided for in Section 5.2 (if applicable), the City may pursue and secure any remedy specified in the ARO, including, with respect to any violation of Section 5.3(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 5.3(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.

5.5 Cumulative Remedies. The City's remedies hereunder are cumulative and the exercise of any one or more of such remedies shall not be construed as a waiver of any other remedy herein conferred upon the City or hereafter existing at law or in equity.

SECTION 6. DEVELOPER'S REPRESENTATIONS AND COVENANTS.

The Developer hereby represents, warrants, covenants and agrees as follows:

6.1 The Developer 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 the Property, and the person signing this Agreement on behalf of the Developer has the authority to do so.

6.2 The Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement. The Developer's execution, delivery and performance of this Agreement has been duly authorized by all necessary action, and does not and will not violate the Developer'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 the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is now or may become bound.

6.3 All of the statements, representations and warranties contained in the Affordable Housing Profile Form and any other document submitted by the Developer to the City in connection with this Agreement are true, accurate and complete.

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SECTION 7. GENERAL PROVISIONS.

7.1 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.

7.2 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.

7.3 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

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

7.5 Notices. Unless otherwise specified, any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile or email, provided that there is written confirmation of such communication; (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 & 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 Developer: 1911 W Irving Park LLC
 1406 West Fulton Street, Ste. 2A
 Chicago, Illinois 60607
 Attn: Gabriel Horstick

With a copy to: Thompson Coburn LLP
 55 East Monroe Street
 37th Floor
 Chicago, IL 60603
 Attn: Katriina S. McGuire

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Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile or email, respectively, provided that such facsimile or email transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 7.5 shall constitute delivery.

7.6 Indemnification. The Developer hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City, its elected officials, officers, employees, Agents and representatives, from and against any judgments, losses, liabilities, claims, suits, actions, causes of action, damages (including consequential damages), costs and expenses of whatsoever kind or nature (including, without limitation, attorneys' fees, court costs, expert witness fees, and any other professional fees and litigation expenses) suffered or incurred by the City arising from or in connection with: (a) the failure of the Developer to perform its obligations under this Agreement or to comply with the requirements of the ARO; (b) the failure of the Developer to comply with any other law, code, or regulation that governs the construction, occupancy, sale or lease of any Affordable Unit; (c) breaches of the Developer's representations and warranties contained in this Agreement or any Compliance Certificate; (d) the construction and management of the Project (and/or the Off-Site Development if applicable); (e) any misrepresentation or omission made by the Developer or any Agent of the Developer with respect to the Project (and/or the Off-Site Development if applicable); (f) the responses or documents provided by the Developer or any Agent of Developer pursuant to the terms of this Agreement or any Compliance Certificate; and (g) any activity undertaken by the Developer or any Agent of the Developer on the Property (and/or the Off-Site Development if applicable). This indemnification shall survive the expiration or any termination of this Agreement (regardless of the reason for such termination).

7.7 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.

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

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

7.10 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.

7.11 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.

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7.12 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.

7.13 Joint and Several Liability. If more than one entity comprises the Developer, together such entities agree that they are jointly and severally liable to the City for the performance of all obligations under the ARO and this Agreement. Each obligation, promise, agreement, covenant, representation and warranty of each entity comprising the Developer shall be deemed to have been made by, and be binding upon, the other entities comprising the Developer. The City may bring an action against any such entity with respect to the obligations under the ARO and this Agreement without regard to whether an action is brought against the other entities comprising the Developer.

7.14 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 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.

7.15 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.

7.16 New Tax Parcels. If the Cook County Assessor's Office grants a Petition for Division and/or Consolidation of the Property, the Developer shall immediately (a) re-record this Agreement against any newly created tax parcels containing Affordable Units, and (b) deliver a copy of the re-recorded Agreement to the City.

7.17 Recordkeeping and Reporting. Upon request of the Department, the Developer shall promptly provide any additional information or documentation requested in writing by the Department to verify the Developer's compliance with the provisions of this Agreement. At the written request of the Department, the Developer shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the Property (and/or the Off-Site Development if applicable), and the Developer's compliance with this Agreement.

(SIGNATURE PAGE FOLLOWS)

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

CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government

By: _____
David L. Reifman
Commissioner
Planning and Development

DEVELOPER:

1911 W Irving Park LLC, an Illinois limited liability company

By: Campbell Street Asset Management, Inc., an Illinois corporation, its sole manager

By: _____
Gabriel Horstick
Its Co-President

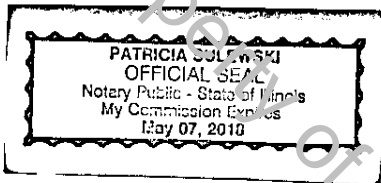
Property of Cook County Clerk's Office

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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 David L. Reifman, personally known to me to be the Commissioner of
the Department of Planning and Development of the City of Chicago, Illinois (the "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 acknowledged that as such
Commissioner he signed and delivered the said instrument pursuant to authority given him on
behalf of the City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal on May 19, 2017.



Patricia Sulewski

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 Gabriel Horstick, the co-president of Campbell Street Asset
Management, Inc., an Illinois corporation (the "Company"), the sole manager of 1911 W Irving
Park LLC, an Illinois limited liability 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 he signed and delivered the
foregoing instrument pursuant to authority given by said Company as his free and voluntary act
and as the free and voluntary act and deed of said Company, for the uses and purposes therein
set forth.

GIVEN under my hand and official seal this 22nd day of April, 2017.

[Signature]

Notary Public



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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LOTS 5, 6, 7 AND 8 IN BLOCK 4 IN FORD'S SUBDIVISION OF BLOCKS 3, 4, 5, 14, 15 AND LOTS 1, 2 AND 3 IN BLOCK 16 IN SUBDIVISION OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT SOUTHWEST ¼ OF NORTHEAST AND SOUTHEAST ¼ OF NORTHWEST ¼ AND EAST ½ OF THE SOUTH EAST 1/4), IN COOK COUNTY, ILLINOIS.

ADDRESS: 1911-1921 WEST IRVING PARK ROAD
CHICAGO, ILLINOIS 60613

P.I.N.: 14-19-200-014-0000

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EXHIBIT B

AFFORDABLE HOUSING PROFILE FORM

(ATTACHED)

(REMAINING PAGE LEFT BLANK)

Property of Cook County Clerk's Office

**COOK COUNTY
RECORDER OF DEEDS**

**COOK COUNTY
RECORDER OF DEEDS**

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2015 Affordable Housing Profile Form (AHP)

Submit this form for projects that are subject to the 2015 ARO (all projects submitted to City Council after October 13, 2015). More information is online at www.cityofchicago.org/ARO.

This completed form should be returned to: Kara Breems, Department of Planning & Development (DPD), 121 N. LaSalle Street, Chicago, IL 60602. E-mail: kara.breems@cityofchicago.org

Date: 2/13/17

DEVELOPMENT INFORMATION

Development Name: 1911 West Irving Park Road
 Development Address: 1911-21 West Irving Park Road
 Zoning Application Number, if applicable: 18963T1 Ward: 47
 If you are working with a Planner at the City, what is his/her name? N/A

Type of City Involvement: City Land Planned Development (PD)
check all that apply Financial Assistance Transit Served Location (TSL) project
 Zoning Increase

REQUIRED ATTACHMENTS: the AHP will not be reviewed until all required docs are received

- ARO Web Form completed and attached - or submitted online on
- ARO "Affordable Unit Details and Square Footage" worksheet completed and attached (Excel)
- If ARO units proposed, Dimensioned Floor Plans with affordable units highlighted are attached (pdf)
- If ARO units proposed are off-site, required attachments are included (see next page)
- If ARO units are CHA/Authorized Agency units, signed acceptance letter is attached (pdf)

DEVELOPER INFORMATION

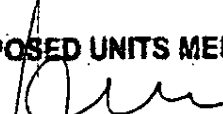

Developer Name: 1911 W Irving Park LLC
 Developer Contact: Gabriel Horstick
 Developer Address: 1406 W Fulton Market, Ste 2A
 Email: gabe@csamchicago.com Developer Phone: (773) 330-1485
 Attorney Name: Katrina S. McGuire Attorney Phone: (312) 580-2326

TIMING

Estimated date marketing will begin: Summer 2017
 Estimated date of building permit*: Summer 2017
 Estimated date ARO units will be complete: Winter 2017

*note that the in-lieu fee and recorded covenant are required prior to the issuance of any building permits, including the foundation permit

PROPOSED UNITS MEET REQUIREMENTS (to be executed by Developer & ARO Project Manager)


 Kara Breems, DPD 2-16-17
 _____ Date

 Developer/Project Manager 2/14/17
 _____ Date

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COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

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Summary: 1911 W Irving Park

	market rate			affordable		
	how many?	% of total	avg. square footage	how many?	% of total	avg. square footage
studio	4	18%	368	1	50%	320
one-bed	16	73%	583	1	50%	575
two-bed	2	9%	845	0	n/a	n/a
three-bed	0	n/a	n/a	0	n/a	n/a
four-bed	0	n/a	n/a	0	n/a	n/a

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1911 W Irving Park Road

	Market Rate Units	Affordable Units
Parking	Not Included	Not Included
Laundry	Included In Unit	Included In Unit
Appliances		
Refrigerator	Included In Unit	Included In Unit
age/EnergyStar/make/model/color		
Dishwasher	Included In Unit	Included In Unit
age/EnergyStar/make/model/color		
Stove/Oven	Included In Unit	Included In Unit
age/EnergyStar/make/model/color		
Microwave	Included In Unit	Included In Unit
age/EnergyStar/make/model/color		
Bathroom(s)	1 Full Bath In Each	1 Full Bath In Each
how many?		
Half bath? Full bath?		
Kitchen countertops	Granite, Quartz or Formica	Granite, Quartz or Formica
material		
Flooring	Hardwood or Vinyl	Hardwood or Vinyl
material		
HVAC	Central Heating & Cooling	Central Heating & Cooling
Other	Outdoor Balcony	Outdoor Balcony

Office

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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 Covenant and 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 June 30 of each year until the expiration of the Term (as defined in Section 2 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 ("**Eligible Households**").
 - (b) For the 12-month period preceding the date hereof (the "**Year**"):
 - (i) the Affordable Units in the Project (as identified in paragraph 8 below) were occupied or available for occupancy by Eligible Households;
 - (ii) the Owner received an annual income certification from each Eligible Household at the time of the first rental by that household and documentation to support such certification;

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- (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 Eligible 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.	210	0	320			60% AMI	
2.	308	1	575			60% AMI	

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.

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

C. 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.

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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)

Property of Cook County Clerk's Office

**COOK COUNTY
RECORDER OF DEEDS**

**COOK COUNTY
RECORDER OF DEEDS**