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Prepared By/Return To:

Pamela E. Cash
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EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 01/17/2020 01:33 PM PG: 1 OF 10

**Rental Assistance
Demonstration
Use Agreement**

**U.S. Department of Housing
and Urban Development**
Office of Housing
Office of Public and Indian
Housing

OMB Approval No. 2502-
0612 (Exp. 04/30/2020)

41044527 (5)

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This Rental Assistance Demonstration Use Agreement (hereinafter called the "Agreement") is made as of January 16, 2020, for the benefit of and agreed to by the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designates (hereinafter called "HUD") by Southbridge 4 Master Owner LLC, an Illinois limited liability company ("Project Owner"), Southbridge 1-4 Housing LLC, an Illinois limited liability company ("Project Affordable Tenant") and Chicago Housing Authority, an Illinois municipal corporation, ("PHA").

Whereas, Rental Assistance Demonstration (hereinafter called "RAD") provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and improvement of these properties through access to private debt and equity to address immediate and long-term capital needs.

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SC
INC
[Handwritten initials]

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Whereas, the PHA is the fee owner of the real property described on Exhibit A (the "Property") upon which is or will be located improvements owned or to be owned by Project Owner receiving assistance converted pursuant to RAD, which project will commonly be known as Southbridge Phase 1A (the "Project"). The Project will contain one hundred three (103) rental dwelling units in one (1) condominium building of which thirty-four (34) units ("Assisted Units") are subject to a RAD Housing Assistance Payment contract, as the same may be renewed, amended or replaced from time to time ("RAD HAP contract").

Whereas, Project Owner intends to enter into a Leasehold Declaration of Condominium Ownership and Easements, Restrictions, Covenants and By-Laws and submit the Development constructed on the leasehold estate to the provisions of the Illinois Condominium Property Act (765 ILCS 605) in order to create a seven-unit leasehold condominium to be known as The Southbridge 1-4 Condominium Association which will include: 1) five (5) condominium units (collectively, the "Residential Affordable Unit") consisting of fifty-one (51) affordable units, including the thirty-four (34) RAD units; 2) one (1) condominium unit (the Residential Market Unit") consisting of fifty-two (52) market rate residential units; and 3) one (1) condominium unit (the "Commercial Unit") consisting of approximately 10,100 square feet of commercial space; and

Whereas, Project Owner intends to lease the Residential Affordable Unit to Project Affordable Tenant pursuant to a Master Lease Agreement by and between Project Owner and Project Affordable Tenant. The term of the Master Lease Agreement will be ninety-nine (99) years and Project Affordable Tenant will be considered the owner of the Residential Affordable Unit during the master lease term.

Whereas, pursuant to the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011, as amended from time to time, the "RAD Statute"); and the corresponding PIH Notice 2012-32, rev-2, as amended from time to time, and any successor document and/or regulations (hereinafter called the "RAD Notice"), which this Agreement incorporates by this reference, the PHA, the Project Owner and the Project Affordable Tenant, as applicable, has agreed to encumber the Property, and the Project Owner and the Project Affordable Tenant has agreed to operate the Project in accordance with this Agreement in exchange for HUD's agreement to execute or permit the execution of the RAD HAP contract and the assistance provided thereby;

Whereas, in accordance with the RAD Statute and RAD Notice, except as otherwise agreed in writing by HUD, this Agreement is to be recorded superior to other liens on the Property, run until the conclusion of the initial term of the RAD HAP contract, automatically renew upon each extension or renewal of the RAD HAP contract for a term that runs with each renewal term of the RAD HAP contract, and remain in effect even in the case of abatement or termination of the RAD HAP contract for the term the RAD HAP contract would have run, absent the abatement or termination.

Now Therefore, in consideration of the foregoing, conversion of assistance pursuant to RAD, provision of rental assistance pursuant to the RAD HAP contract and other valuable consideration, the parties hereby agree as follows:

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1. **Definitions.** All terms used in this Agreement and not otherwise defined have the same meaning as set forth in the RAD Notice.

2. **Term.** The initial term of this Agreement commences upon the date this Agreement is entered into and shall run until the conclusion of the initial term of the RAD HAP contract. The RAD HAP contract is effective for twenty (20) years. Unless otherwise approved by HUD, this Agreement shall remain in effect through the initial term of the RAD HAP contract and for additional periods to coincide with any renewal term of the RAD HAP contract or any replacement HAP contract. It is the intention of the parties that the RAD HAP and this Agreement shall each renew upon the completion of its initial term. Therefore, this Agreement shall remain in effect until a release is recorded as contemplated by Section 8. Such release shall be the evidence of the non-renewal of the HAP Contract, of the determination not to execute a replacement HAP contract and of the termination of this Agreement. This Agreement will survive abatement of assistance or termination of the RAD HAP contract unless otherwise approved by HUD.

3. **Use Restriction and Tenant Incomes.** The Assisted Units shall be leased in accordance with the RAD HAP contract, including any applicable eligibility and/or income-targeting requirements. In the case that the RAD HAP contract is terminated prior to the completion of the term or renewal term, if applicable, of this Agreement (by way of illustration and not limitation, for breach or non-compliance), for the remainder of the term of this Agreement new tenants leasing the Assisted Units (except if any of the Assisted Units is a HUD-approved manager unit) must have incomes at or below 80 percent of the Area Median Income (AMI) at the time of admission ("Eligible Tenants"). Additionally, rents for such Assisted Units must not exceed 30% of 80% of the AMI for households of the size occupying an appropriately sized unit. Notwithstanding the foregoing, in the event the Project Owner and/or Project Affordable Tenant so requests and is able to demonstrate to HUD's satisfaction that despite the Project Owner's and/or Project Affordable Tenant's good faith and diligent efforts to do so, the Project Owner and/or Project Affordable Tenant is unable either (1) to rent a sufficient percentage of Assisted Units to Eligible Tenants in order to satisfy the restrictions in this paragraph, or (2) to otherwise provide for the financial viability of the Project, HUD may, in its sole discretion, agree to reduce the percentage of units subject to the restriction under this paragraph or otherwise modify this restriction in a manner acceptable to the Project Owner and/or Project Affordable Tenant and HUD. Any such modification of the restrictions listed in this paragraph shall be evidenced by a written amendment to this Agreement executed by each of the parties hereto.

4. **Survival.** This Agreement will survive foreclosure and bankruptcy.

5. **Fair Housing and Civil Rights Requirements.** The Project Owner and its agents, where applicable, shall ensure that the Project complies with applicable federal fair housing and civil rights laws, regulations, and other legal authorities, including those identified at 24 C.F.R. § 5.105.

6. **Accessibility Requirements.** The Project Owner and the Project Affordable Tenant and their agents, where applicable, shall ensure that the Project complies with all applicable federal accessibility requirements under the Fair Housing Act and implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR

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Part 8, and Titles II and III of the Americans with Disabilities Act and implementing regulations at 28 CFR Parts 35 and 36, respectively.

7. Restrictions on Transfer. HUD has been granted and is possessed of an interest in the above described Project. Except as authorized below, the Project Owner, the Project Affordable Tenant and, if a party hereto, the PHA, shall not transfer, convey, encumber or permit or suffer any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said Project and/or Property or any part thereof without prior written consent of HUD. Notwithstanding the foregoing, HUD hereby authorizes (a) leases in the normal operation of the Project, (b) subordinate liens contemplated by a RAD Conversion Commitment executed in connection with the Project, whether such liens are recorded concurrent with the recordation of this Use Agreement or recorded subsequent hereto (such as permanent financing to replace construction-period financing), and (c) conveyance or dedication of land for use as streets, alleys, or other public rights-of-way and grants and easements for the establishment, operation and maintenance of public utilities. Except as otherwise approved in writing by HUD, any lien on the Project and/or Property shall be subject and subordinate to this Agreement. Unless this Agreement is released by HUD, any transferee of the Project and/or Property shall take title subject to this Agreement. In the event of a default under the RAD HAP contract including, without limitation, upon any transfer of the Property or Project without HUD consent, upon expiration of any applicable notice and/or cure periods, HUD may transfer the RAD HAP contract and the rental assistance contemplated therein to another entity and/or Property and/or Project. The Project Owner and Project Affordable Tenant has constituted HUD as its attorney-in-fact to effect any such transfer.

8. Amendment or Release. This Agreement may not be amended without HUD consent. This Agreement shall remain as an encumbrance against the Property unless and until HUD executes a release for recording. This Agreement may only be released by HUD in its sole discretion. In the event that the RAD HAP is, in accordance with all applicable laws and RAD program requirements, not renewed or replaced, HUD shall not unreasonably fail to provide such a release upon the completion of the applicable term of this Agreement.

9. Enforcement. In the event of a breach or threatened breach of any of the provisions of this Agreement, any eligible tenant or applicant for occupancy within the Project, or the Secretary or his or her successors or delegates, may institute proper legal action to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.

10. Severability. The invalidity, in whole or in part, of any of the provisions set forth in this Agreement shall not affect or invalidate any remaining provisions.

11. Conflicts. Any conflicts between this Agreement and the RAD HAP contract or any other applicable HUD program requirements shall be conclusively resolved by the Secretary.

12. Execution of Other Agreements. The Project Owner, Project Affordable Tenant and, if a party hereto, the PHA, agrees that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that in any

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event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other conflicting requirements.

13. Subsequent Statutory Amendments. If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, the Project Owner, Project Affordable Tenant and, if a party hereto, the PHA, agrees to execute modifications to this Agreement that are needed to conform to the statutory amendments. At HUD's option, HUD may implement any such statutory amendment through rulemaking.

14. Lender Provisions.

A. Nothing in this Agreement prohibits any holder of a mortgage or other lien against the Property or Project from foreclosing its lien or accepting a deed in lieu of foreclosure. Any lien holder shall give HUD, as a courtesy, written notice prior to declaring an event of default. Any lien holder shall provide HUD concurrent notice with any written filing of foreclosure filed in accordance with state law provided that the foreclosure sale shall not occur sooner than sixty days (60) days after such notice to HUD. The Notice to HUD may be personally delivered or sent by U.S. certified or registered mail, return receipt requested, first class postage prepaid, addressed as follows:

U.S. Department of Housing and Urban Development
451 7th Street SW, Room 4130
Washington, DC 20410
Attention: Office of the Assistant Secretary for Public and Indian Housing -
Rental Assistance Demonstration

B. Notwithstanding any lien holder's foreclosure rights, this Agreement survives foreclosure and any new owners of the Property or the Project take ownership subject to this Agreement.

C. Transfer of title to the Property or the Project may be grounds for termination of assistance under the RAD HAP contract. However, HUD may permit, through prior written consent by HUD, the new owner of the Property or the Project to assume the RAD HAP contract, subject to the terms included therein, or enter into a new HAP contract. Any HUD consent to continued HAP assistance is subject to the RAD Statute and other RAD program requirements.

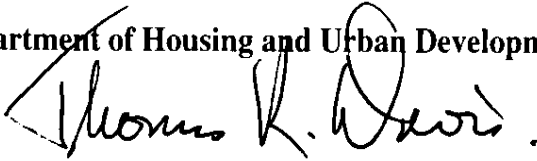
D. Each entity interested in purchasing the Property in a foreclosure sale administered under state foreclosure law may submit a written request to HUD to continue RAD HAP contract assistance in the event of such entity's successful acquisition at the foreclosure sale. Such request shall be submitted by the latter of ten business days after first publication of the foreclosure sale or 60 days prior to such foreclosure sale.

15. Successors and Assigns. This Agreement shall be binding upon the Project Owner and, if a party hereto, the PHA, and all future successors and assigns of either with respect to any portion of the Property or the Project.

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In Witness Whereof, these declarations are made as of the first date written above.

Department of Housing and Urban Development



By: Thomas R. Davis
Director, Office of Recapitalization

Date: 1/8/2020

District of Columbia)
)
) SS:

Before me, Simon Tamale Tyaba, a Notary Public in and for the District of Columbia on this 8th day of JANUARY, 2020, personally appeared Thomas R. Davis, Director, Office of Recapitalization, who is personally known to me to be the person who executed the foregoing instrument by virtue of the authority vested in him by the Department of Housing and Urban Development, and did acknowledge the signing thereof to be a free and voluntary act and done on behalf of the Secretary of Housing and Urban Development for the uses, purposes and considerations therein set forth.

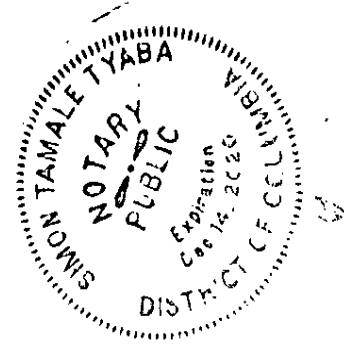
Witness my hand and official seal this 8th day of JANUARY, 2020.

(Seal)

Simon Tamale Tyaba (Notary Public)

My commission expires 12/14/2020.

DISTRICT OF COLUMBIA: SS
SUBSCRIBED AND SWORN TO BEFORE ME
THIS 8th DAY OF JANUARY, 2020
Simon Tamale Tyaba
NOTARY PUBLIC
My Commission Expires 12/14/2020



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Project Owner:

Southbridge 4 Master Owner LLC
an Illinois limited liability company

By: Ickes Master Developer JV, LLC
an Illinois municipal corporation
its sole member

By: The Community Buildings, Inc.

Its managing member

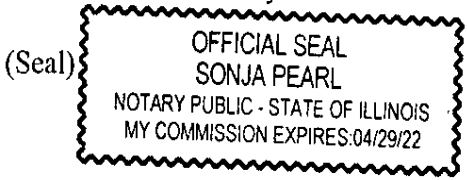
By: William Woodley
William Woodley
Authorized Agent

Date:

State of Illinois)
) ss
County of Cook)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do certify that William Woodley, personally known to me to be the Authorized Agent of The Community Builders, Inc., the managing member of Ickes Master Developer JV, LLC, (the "Managing Member"), the sole and managing member of Southbridge 4 Master Owner LLC, 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 severally acknowledged that as such Authorized Agent, s/he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and Southbridge 4 Master Owner LLC, for the uses and purposes therein set forth.

Given under my hand and official seal this 11th day of January 2020.



Sonja Pearl (Notary Public)

My commission expires April 29, 2022.

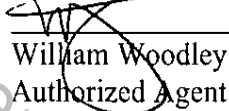
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PROJECT AFFORDABLE TENANT

SOUTHBRIDGE 1-4 HOUSING LLC,
an Illinois limited liability company

By: Southbridge 1 Housing MM LLC,
its managing member

By: The Community Builders, Inc.,
its managing member

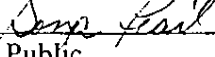
By: 
William Woodley
Authorized Agent

Date:

State of Illinois)
) ss
County of Cook)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do certify that William Woodley, personally known to me to be the Authorized Agent of The Community Builders, Inc., the managing member of Southbridge 1 Housing MM LLC, an Illinois limited liability company, the managing member of Southbridge 1-4 Housing LLC, 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 severally acknowledged that as such Authorized Agent, s/he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and Southbridge 1-4 Housing LLC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 16th day of January, 2020.

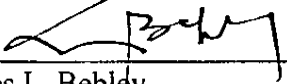

Notary Public
My Commission Expires 4.29.22



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PHA

Chicago Housing Authority
an Illinois municipal corporation

By: 
James L. Bebley
Acting Chief Executive Officer

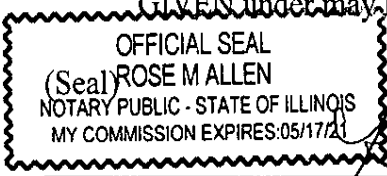
Date:

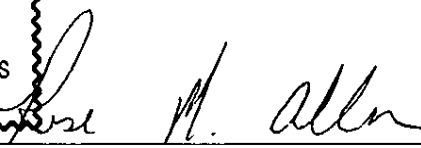
State of Illinois)

County of Cook)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that James L. Bebley, the Acting Chief Executive Officer of the Chicago Housing Authority, an Illinois municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Acting Chief Executive Officer, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of January, 2020.



 (Notary Public)

My commission expires 5-17, 20 21.

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EXHIBIT A – Property Subject to this RAD Use Agreement

THAT PART OF LOTS 1 THROUGH 12 (BOTH INCLUSIVE), THAT PART OF LOTS 40 THROUGH 46 (BOTH INCLUSIVE), AND THAT PART OF THE NORTH-SOUTH 15 FOOT WIDE PUBLIC ALLEY VACATED PER DOCUMENT NUMBER 15805877, RECORDED JANUARY 6, 1954, ALL IN BLOCK 10, IN UHLICH AND MUHLKE'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST HALF OF THE NORTHEAST QUARTER (EXCEPT THE SOUTH HALF OF THE SOUTH HALF THEREOF) IN SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 01 DEGREES 31 MINUTES 56 SECONDS EAST, ALONG AN ASSUMED BEARING, BEING THE EAST LINE OF SAID LOTS 1 THROUGH 12, ALSO BEING THE WEST LINE OF STATE STREET, 289.70 FEET; THENCE SOUTH 88 DEGREES 29 MINUTES 48 SECONDS WEST 116.21 FEET; THENCE NORTH 01 DEGREES 31 MINUTES 56 SECONDS WEST 74.55 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 04 SECONDS WEST 35.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 151.00 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 04 SECONDS EAST 37.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 64.15 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 1; THENCE NORTH 88 DEGREES 29 MINUTES 48 SECONDS EAST ALONG SAID NORTH LINE, ALSO BEING THE SOUTH LINE OF W. 23RD STREET 114.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN(s): 17-28-218-028 (affects part of the land and other property);
 17-28-218-029 (affects part of the land and other property); and
 17-28-218-030 (affects part of the land and other property);

Address(es):

2302-2322 S. State Street, Chicago IL 60616
 2310 S. State Street, Chicago IL 60616
 2302 S. State Street, Chicago IL 60616
 2306 S. State Street, Chicago IL 60616
 2318 S. State Street, Chicago IL 60616
 2322 S. State Street, Chicago IL 60616