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COPY



**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Special Meeting—Friday, July 31, 1987

at 10:45 A.M.

(Council Chamber--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Harold Washington, Mayor, and Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Fary, Madrzyk, Burke, Carter, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Henry, Butler, Smith, Davis, Hagopian, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Pucinski, Natarus, Eisendrath, Levar, Shiller, Schulter, Orr, Stone.

Absent -- Aldermen Vrdolyak, Huels, Langford, Krystyniak, Soliz, Gutierrez, Figueroa, Gabinski, Laurino, O'Connor, Hansen, Osterman.

Call To Order.

On Friday, July 31, 1987 at 11:24 A.M. (the hour appointed for the meeting was 10:45 A.M.) The Honorable Harold Washington, Mayor, called the City Council to order. Mr. Daniel J. Burke, Deputy City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Fary, Madrzyk, Burke, Carter, Streeter, Kellam, Sheahan, Jones, J. Evans, Henry, Butler, Smith, Davis, Hagopian, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Pucinski, Eisendrath, Levar, Shiller, Schulter, Orr, Stone -- 36.

Quorum present.

Invocation.

Alderman George J. Hagopian (30th Ward) opened the meeting with prayer.

Placed On File -- CALL FOR SPECIAL MEETING.

The clerk informed the City Council that the following call for a special meeting was filed in the Office of the City Clerk on July 30, 1987 at 10:42 A.M.

OFFICE OF THE MAYOR
CITY OF CHICAGO

July 30, 1987.

Honorable Walter S. Kozubowski
City Clerk
City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602

DEAR MR. KOZUBOWSKI -- I, Harold Washington, Mayor, do hereby call a special meeting of the City Council of the City of Chicago, to be convened on July 31, 1987, at 10:45 A.M. in the City Council Chamber, City Hall, Chicago, Illinois, for the following purposes and for no other purpose whatsoever:

1. To consider a motion to suspend the rules temporarily in order to consider a motion to discharge the Council Committee on Finance from considering a proposed ordinance authorizing the execution of a housing development grant loan agreement for the Woodlawn Park Apartments located at 3401 South Cottage Grove Avenue in the amount of \$6,900,000, submitted directly to said committee on July 23, 1987, by the Commissioner of Housing.

2. To consider a motion to discharge the Committee on Finance from consideration of a proposed ordinance concerning authorization to execute a housing development grant loan agreement for the Woodlawn Park Apartments located at 3401 South Cottage Grove Avenue in the amount of \$6,900,000, submitted directly to said committee on July 23, 1987, by the Commissioner of Housing.

3. To consider a motion to pass the aforementioned proposed ordinance.

Very truly yours,
(Signed) HAROLD WASHINGTON,
Mayor.

EXECUTION OF HOUSING DEVELOPMENT GRANT LOAN
AGREEMENT WITH WOODLAND PARK PARTNERS.

Alderman Rush moved to *Suspend the Rules Temporarily* for the purpose of discharging the Committee on Finance from further consideration of a proposed ordinance authorizing the execution of a housing development grant loan agreement with Woodland Park Partners for the development of the Woodlawn Park Apartment Project.

The motion *Prevailed* by a viva voce vote.

Alderman Rush then moved to *Discharge* the Committee on Finance from further consideration of the said proposed ordinance.

The motion *Prevailed* by a viva voce vote.

Thereupon, Alderman Rush moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Fary, Burke, Carter, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Henry, Butler, Smith, Davis, Hagopian, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Pucinski, Natarus, Eisendrath, Levar, Shiller, Schulter, Orr, Stone -- 37.

Nays -- None.

Alderman Tillman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The Department of Housing (D.O.H.) has as its primary purpose the creation of safe, decent, affordable housing for the residents of the City; and

WHEREAS, Woodland Park Partners, an Illinois limited partnership, (collectively, Owner) intends to acquire and to construct three residential buildings located at 3401 S. Cottage Grove, Chicago, Illinois 60616 consisting of 240 residential rental units, of which 48 of the rental units will be reserved for qualified lower income persons; and

WHEREAS, The Department of Housing has made an application to the United States Department of Housing and Urban Development for a Housing Development Grant for funds to be used for a loan to the Owner to assist in the financing of the acquisition, construction and equipping by Owner of said facility; and

WHEREAS, In response to said application the United States Department of Housing and Urban Development has preliminarily approved Grant No. IL004HG406 (the "H.D.G. Grant"), as amended, which provides that up to \$6,900,000 may be loaned by the City to Owner; and

WHEREAS, Owner desired to borrow said amount from the City and the City is willing, subject to the terms and conditions herein, to lend said amount to Owner; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Commissioner or First Deputy Commissioner of the Department of Housing ("Commissioner") is authorized to execute a Housing Development Grant Loan Agreement, substantially in the form attached hereto, and with such changes that may be required to conform to the requirements of the H.D.G. Grant, as amended, or by the Secretary of Housing and Urban Development.

SECTION 2. The Commissioner or the First Deputy Commissioner is authorized to execute all collateral documents required under or in compliance with the H.D.G. Grant, and to require the execution or delivery by the Owner of all collateral documents required under, or in compliance with, the H.D.G. Grant.

SECTION 3. This ordinance shall be effective from the date of its passage.

Agreement attached to this ordinance reads as follows:

Owner/Grantee Agreement.

This Agreement ("Agreement") made in Chicago, Illinois, dated as of the _____ day of _____, 1987, between the City of Chicago, Illinois (the "City" or "Grantee"), by

and through its Department of Housing ("D.O.H."), having its offices at 318 South Michigan Avenue, Chicago, Illinois 60604, and Woodland Park Partners, ("Owner") an Illinois limited partnership.

Recitals:

Whereas, D.O.H. has as its primary purpose the creation of safe, decent, affordable housing for the residents of the City; and

Whereas, Owner intends to acquire the site for and to construct three residential buildings located at 3401 South Cottage Grove, Chicago, Illinois 60616, consisting of 240 residential rental units, of which 48 of the units will be reserved for qualified lower income persons; and

Whereas, D.O.H. has made an application to the United States Department of Housing and Urban Development for a Housing Development Grant for funds to be used for a loan to the Owner to assist in the financing of the acquisition, construction, equipping and other developmental costs as described below of said facility by Owner; and

Whereas, in response to said application the United States Department of Housing and Urban Development has approved H.D.G. Grant No. IL004HG406 (the "H.D.G. Grant"), as amended, which provides that \$6,900,000 may be loaned by the City to Owner; and

Whereas, Owner desires to borrow said amount from the City, and the City is willing, subject to the terms and conditions herein, to lend said amount to Owner;

Now, Therefore, in consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and the Owner hereto agree as follows:

Section 1. Incorporation Of Recitals.

The above recitals are incorporated into this Agreement by this reference.

Section 2. Definitions.

The following terms shall be defined, for purposes of this Agreement, as follows:

"Act" means the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437, as amended.

"Agreement" means this Agreement unless the context clearly indicates otherwise.

"Co-Insurer" and "Lender" shall mean Benton Mortgage Company, Knoxville, Tennessee.

"Completion Date" shall mean the date of completion of construction, as certified to the City by Owner's architect or any other certifying official as is acceptable to the City, but in no event later than May 31, 1989, subject to the extension by reason of Force Majeure.

"Equity" shall mean the sum of \$1,974,067, which represents the equity contribution that the Owner must satisfy, as determined by the Secretary, and which, subject to adjustment in accordance with 2(a) of Exhibit A, represents the maximum sum upon which Owner is entitled to receive a return on Equity prior to loan repayment as described in Exhibit B of this Agreement.

"F.H.A." shall mean the Federal Housing Administration.

"Force Majeure" means events or occurrences beyond the control of Owner that cause delay in the completion of the Project, including but not limited to strikes, unavailability of materials, fire or other casualty, weather and acts of God.

"H.D.G. Grant Agreement" or "H.D.G. Grant" shall mean the Agreement numbered IL004HG406, and dated November 29, 1984, as amended, between the Secretary of Housing and Urban Development and the City.

"H.U.D." means the U.S. Department of Housing and Urban Development.

"Lender" and "Co-Insurer" shall mean Benton Mortgage Company, Knoxville, Tennessee.

"Loan Documents" shall mean this Agreement, the Mortgage, the Note, the Restrictive Covenants Agreement and all other agreements, instruments and documents heretofore, now and from time to time hereafter executed by or on behalf of Owner, and delivered to City by Owner in connection with the loan contemplated by this Agreement.

"Loan Payment Date" shall mean May 1 of the year following the year in which the Completion Date occurs and every May 1 thereafter for so long as the Loan is outstanding.

"Lower Income Unit" shall mean units identified in Section 1.01(e)2 of the Grant Agreement and Section 2(g) of Exhibit A of this Agreement with rents, determined in accordance with 24 C.F.R. Part 850, which will not exceed 30 percent of adjusted income of a household, as defined by 24 C.F.R. Section 850.3, whose income equals 50 percent of median income applicable to the area in which the Project is located, as determined by H.U.D.

"M.B.E." or "W.B.E." shall mean a business enterprise with at least 51% minority (M.B.E.) or female (W.B.E.) ownership, and whose day to day operations are significantly controlled by such minority or female ownership.

"Mortgage" shall mean that certain Junior Mortgage, Assignment of Rents, Leases and Security Agreement, among the City, and the Owner of even date herewith which secures the Note.

"Net Cash Flow" shall mean surplus cash (less any return on Equity allowed under this Agreement) as defined in and computed in accordance with the F.H.A. Regulatory Agreement.

"Project" shall mean all activities of Owner in acquiring, constructing, equipping and managing the Property (as hereinafter defined).

"Project Term" shall mean twenty (20) years, during which time the 48 units specified as lower income units in Section 1.01(e)2 of the Grant Agreement, and Section 2(g) of Exhibit A of this Agreement must be occupied or available for occupancy by lower income households. The Project Term shall begin on the date on which units in the Project are available for occupancy, and shall continue for 20 years from the date on which 50% of the total units in the Project are occupied.

"Property" shall mean that certain real estate located at 3401 South Cottage Grove, Chicago, Illinois, and all buildings, facilities, structures and fixtures now existing or hereafter erected thereon.

"Qualified Tenant" shall mean individuals or families of lower income within the meaning of 24 C.F.R. Part 850, Subpart F, eligible to occupy one of the Lower Income Units.

"Restrictive Covenants Agreement" shall mean the agreement executed by and between the City and Owner which agreement shall be recorded as a covenant running with the land.

"Secretary" shall mean the Secretary of the United States Department of Housing and Urban Development.

"Senior Financing" or "F.H.A.-insured Mortgage Loan" shall mean the loan by Benton Mortgage Company "Lender" of not less than \$10,701,400 for construction and permanent financing of the Project, plus accrued and unpaid interest, plus additional amounts actually advanced upon a failure of Owner to perform its obligations under such loans.

"Surplus Cash" shall mean surplus cash as defined in and computed in accordance with the F.H.A. Regulatory Agreement for the Property between the Owner and the Secretary, in connection with the F.H.A.-insured Mortgage Loan.

Section 3a. Incorporation By Reference Of Certain Provisions Of The Grant Agreement.

The provisions of Articles V and VI and Exhibits A, B, C, D and E of the H.D.G. Grant Agreement (as amended) entered into between H.U.D. and the Grantee are hereby incorporated by reference into this Agreement and such provisions and Exhibits shall be binding upon the parties hereto and have the same effect as they would otherwise have if fully set forth herein.

Section 3b. Incorporation Of Attachments.

The following attachments are appended to this Agreement and are hereto incorporated by reference and the provisions of which shall have the same effect and be binding on the parties hereto as they would have if fully set forth herein.

Attachment A

Affirmative Fair Housing Marketing Plan

Attachment B	Minority/Women-Owned Business Enterprise Plan
Attachment C	Rent and Tenant Eligibility Determination
Attachment D	H.D.G. Mortgage and H.D.G. Note
Attachment E	H.D.G. Restrictive Covenant Agreement

Section 3c. Incorporation Of Exhibits Relating To Loan Terms And Description Of Owner's And Grantee's Activities.

The City shall make a loan to Owner and Owner shall borrow from the City an amount and upon terms and conditions as set forth in Exhibits A through C attached hereto and made a part hereof (the "Loan").

Section 4. Owner's Covenants.

Owner warrants, represents and covenants to City as follows:

4.1 Owner shall be governed, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as are now, or may be in effect from time to time during the term of this Agreement.

4.2 The Owner has obtained or has reasonable assurance that it will obtain, all federal, state, and local governmental approvals and reviews required by law to be obtained by the Owner for the Project and that the Project shall be developed in accordance with applicable state and local building codes.

4.3 The parties hereto agree that the City has completed an environmental assessment of the Project in accordance with H.U.D. regulations contained in 24 C.F.R. Part 58.

4.4 The parties hereto agree that they will prepare, implement and maintain a minority and women-owned business development plan, consistent with Presidential Executive Orders No. 11625, 12138, and 12432 and City of Chicago Mayor's Executive Order 85-2 which shall contain specific measurable goals and an affirmative strategy to promote awareness and participation by such businesses in the contracting and procurement activities generated by the Project.

4.5 The Owner agrees that any duly authorized representative of H.U.D. or the City shall, at all reasonable times during the Project Term and, subject to the rights of the tenants under their leases, have access to any parts of the Project in which the Owner is involved.

4.6 The Owner agrees to comply with the applicable provisions of: Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-19 and implementing regulations; Executive Order 11063 and regulations at 24 C.F.R. Part 107; Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 C.F.R. Part 1; the Age Discrimination Act of 1975, 42

U.S.C. 6101-07; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794; Executive Order 11246 and regulations at 41 C.F.R. Chapter 60; and the requirements of Section 3 of the Housing and Urban Development Act of 1968.

4.7 Owner shall proceed diligently to carry out the Project pursuant to Exhibit A.

4.8 Owner shall be: (a) bound by and adhere to the applicable requirements of 24 C.F.R. Part 200, Subpart M; and (b) responsible for implementing regulations thereof as found at 24 C.F.R., Part 106, relating to affirmative fair housing marketing, and the same are expressly incorporated herein by reference.

4.9 Owner shall provide the evidence of private financing set forth in Exhibit A attached hereto and made a part hereof.

4.10 Owner shall abide by all terms and conditions of the H.D.G. Grant Agreement, as amended from time to time, provided, however, that no such amendment shall affect any of the rights or obligations of Owner under this Agreement unless Owner has consented to such amendment in writing unless such amendment is required by H.U.D. pursuant to Section 12.02 of the Grant Agreement and the same is expressly incorporated herein by reference.

4.11 Owner Expressly Agrees That The Funds Available Pursuant To This Agreement Shall Not Be Deemed Committed By The City To The Owner Until The City Has Received A Release Of Funds ("R.O.F.") And Approval To Draw Down Funds Under The Letter Of Credit ("L.C.") From The Secretary, And Any Otherwise Eligible Cost Incurred By The Owner Prior To Said R.O.F. And L.C. Approval Shall Be At Its Sole Risk, If The United States Department Of Housing And Urban Development Should Later Withdraw The H.D.G. Grant Funds.

4.12 The time frame for the beginning and completion of the Project, including the beginning and completion of each phase of the Project, shall be as specified in Exhibit E of the H.D.G.

Grant Agreement, as amended from time to time, subject to events or occurrences beyond Owner's control, as may be acceptable to the City and to H.U.D.

Section 5. Inspection And Review.

Books and Records. Owner shall keep and maintain such books, records and other documents as shall be required under rules and regulations now or hereafter applicable to grants made under the H.D.G. Program, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All books, records and other documents shall be available at the offices of Owner for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Secretary or the Comptroller General of the United States (the "Government"), and/or the City.

Section 6. Labor Standards.

Owner shall be required to meet (including all contractors of Owner), for all laborers and mechanics employed on the construction of the Project, labor standards and prevailing wage rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, 40 U.S.C. 276a-276a-5, and any contracts involving the employment of such persons shall be subject to the provisions of the Contract Work Hours and Safety Standards Act, as amended 40 U.S.C. 327-333.

Section 7. Certificate Of Completion.

Promptly after completion by Owner of each building, as certified to by an architect or other person or entity which is acceptable to the City and H.U.D., the City will at Owner's request, furnish Owner with appropriate instruments certifying such completion. Such certifications shall be a conclusive determination of satisfaction, discharge and termination of the covenants in this Agreement with respect to the obligations of Owner and its successors and assigns to undertake the Project in accordance with the dates for the beginning and completion thereof. The certifications shall be in such form as will enable them to be recorded. If the City shall refuse or fail to provide the certifications within 5 days of a request for such certification by Owner, the City shall, within 30 days thereafter, provide Owner with a written statement indicating in adequate detail how Owner has failed to complete the construction or rehabilitation of the improvements in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary in the opinion of the City for Owner to make or perform in order to obtain such certification.

Section 8. Restrictions On Use.

During the term of the Project, Owner shall devote the Property solely for purposes of a residential rental facility consisting of 248 rentable apartments and outdoor parking, common and recreational areas.

Section 9. Permitted Liens.

9.1 During the term of the Loan, except for the liens in favor of the Lender, Owner shall not grant security interests in, nor otherwise encumber the security to be created pursuant to this Agreement unless the City consents.

9.2 Subject to the provisions of Paragraph 9.3 of this Section IX, the following shall be Permitted Liens against the Project: (a) liens for taxes not delinquent or taxes being contested in good faith by appropriate proceedings; (b) deposits or pledges to secure obligations under workmen's compensation, social security or similar laws, or under unemployment insurance; (c) deposits or pledges given in the ordinary course of business to secure bids, tenders, contracts (other than contracts for the payment of money), leases and other like obligations; (d) judgment liens unless the judgment secured shall remain unstayed, undischarged or unbonded for 30 days; (e) mechanics', workmen's, materialmen's, or other like liens arising in the ordinary course of business being contested in good faith; (f) easements, rights of way, zoning restrictions and similar charges or

encumbrances not interfering with the operations of the Owner, any subsidiary of Owner or the Project; (g) purchase money mortgages, liens, pledges or security interests existing in collateral or property acquired by Owner after the date of this Agreement, provided that City's perfected security interest in assets of Owner granted to secure repayment of the Loan shall have a value (as determined by independent appraisal, if necessary, and paid for solely by Owner), of no less than 120% of the then outstanding principal balance of the Loan; and (h) liens permitted under Paragraph 9.1.

9.3 Further, Owner shall promptly give written notice of any Permitted Liens affecting the the Property, where the City's prior consent pursuant to this Section 9, is not required. In the event any such Permitted Lien is in excess of \$5,000 and not bonded or insured over by the title insurer, Owner shall provide evidence of reserves and/or grant additional security to the City, as the latter may reasonably request to assure its security in the H.D.G. Collateral is not materially diminished by such Permitted Lien. Any lien shall also be bonded over or reserves or security provided therefore, to the satisfaction of F.H.A.

Section 10. Events Of Default; Substantive Violations.

10.1 The occurrence of any of the following events or conditions shall be a default of this Agreement: (a) default in the payment ("monetary default"), or performance of any of the obligations or of any covenants or liabilities of Owner, contained or referred to herein, after the expiration of the Cure Period (as hereinafter defined); (b) any warranty, representation or statement made or furnished to City by or on behalf of Owner, proving to have been false in any material respect when made or furnished; (c) any action by Owner in contravention of the H.D.G. Grant Agreement, or which serves to place the City in violation thereof; (d) the making of any levy, seizure or attachment on the H.D.G. Collateral; (e) involuntary dissolution, termination of existence (except occurring upon a sale, partial sale or syndication of the Project pursuant to Section 11 hereof), insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Owner or any guarantor or surety of Owner, or uncured default on the Loan; (f) a default of any of the Senior Financing. All defaults other than those described in subparagraph (a) are hereinafter referred to as "non-monetary defaults." If a monetary default or a non-monetary default shall have occurred, and shall continue for 10 or 60 days, respectively, from receipt of notice thereof (deemed to be 3 days after City has placed said notice in the United States Mails, addressed to Owner, first class postage, certified, return receipt requested, all prepaid), Owner has not cured said default(s), (the "Cure Period"), then the City shall have the right to exercise the remedies provided in Section 11 of this Agreement; provided, however, that in the event a non-monetary default cannot reasonably be cured within the aforesaid 60 day period, and if Owner has commenced efforts to cure, then the time to cure such non-monetary default shall be extended so long as Owner diligently continues to cure such default; provided further, that in the case of a default under the Senior Financing, the cure period granted therein shall be the cure period under this Agreement.

10.2 Violation of any of the following Owner agreements, covenants and representations shall result in a substantive violation ("Substantive Violation") of this Agreement:

(1) The Owner agrees not to convert any units in the Project to condominium ownership or to a form of cooperative ownership that is not eligible to receive a H.D.G. during the period beginning on the date on which units in the Project are available for occupancy and continuing for the twenty-year period beginning from the date on which 50 percent of the total units in the Project are occupied (the "Project Term").

(2) The Owner agrees that during the Project Term the Owner will not discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for units specifically identified in this Agreement as designated for the elderly, on the basis that they have a minor child or children who will be living with them.

(3) The Owner agrees that the number of units by bedroom distribution specified in this Agreement as available for occupancy by lower income households ("Lower Income Units") shall be occupied or available for occupancy by lower income households during the Project Term.

(4) The Owner acknowledges that rents for Lower Income Units are limited by H.D.G. regulation 24 C.F.R. 850.151, and that lower income rents and tenant income shall be determined in accordance with H.U.D. regulations at 24 C.F.R. Part 850, Subpart F.

(5) The Owner agrees to lease Lower Income Units only to tenants who are lower income at the time of initial occupancy. Furthermore, the Owner agrees to reexamine the income of each tenant household living in Lower Income Units at least once a year. When a tenant occupying a Lower Income Unit ceases to be lower income, the Owner agrees to take the appropriate actions described in H.D.G. regulation 24 C.F.R. 850.151(f). The procedures to be followed in implementing this provision are incorporated herein.

(6) The Owner agrees to recalculate lower income rents at least annually, in accordance with the H.U.D. regulations at 24 C.F.R. Part 850 and to submit the first rent recalculation to the City no later than 60 days prior to initial occupancy.

(7) The Owner agrees to provide tenants occupying Lower Income Units at least 30 days prior written notice before implementing any increase in rent for the unit occupied by such tenant.

Section 11. Remedies Upon Default Or Substantial Violation.

Upon the occurrence of any Event of Default, City shall be entitled, at City's option, to exercise any one or more of the following rights and remedies:

(a) City may (but shall not be obligated to) perform any of the obligations, covenants and/or agreements under the Loan Documents, or to make any of the payments with respect to which the Event of Default has occurred and any amount incurred or expended by City in so doing, plus interest thereon at the rate then payable upon the Loan, shall be secured by all of the security for the Loan and shall be due and payable to City upon demand.

(b) Subject to the limitations contained in Section 25 of this Agreement, City may declare the entire principal amount of the Loan, and all other amounts payable under the other Loan Documents, to be immediately due and payable, together with accrued interest on such amounts, without further notice to or demand on Owner.

(c) Subject to the limitations contained in Section 25 of this Agreement, City may exercise any or all other remedies available to City in law or in equity under the terms of the Loan Documents or otherwise.

(d) The remedies and rights of City hereunder are cumulative and are not mutually exclusive. City shall be entitled to resort to any one or more or all of said remedies and rights, in any order of priority, neither to the limit or exclusion of any others.

(e) The waiver by City of any breach, default or non-compliance by any other party hereto under the terms of this Agreement or the other Loan Documents, shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach, default, or non-compliance on the part of such party.

(f) No course of dealing on the part of the City, or any failure by City to exercise, or any delay in its exercising, any right, power or remedy shall operate as a waiver thereof, or otherwise prejudice City's rights, powers and remedies; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

(g) The City agrees that upon a determination of a Substantive Violation by the Owner of its obligations under Section 10.2, the City shall notify the Owner in writing (A) of the details of the Violation, (B) actions to be taken and the remedies to be applied to cure the Violation, and (C) of a sixty (60) day cure period for the Owner either to contest the determination of a Violation or to take actions to cure the Violation.

(h) Subject to the limitations contained in Section 25 of this Agreement, if the Owner does not correct a Substantive Violation, the principal amount of the Loan shall become immediately due and payable plus simple interest accrued at a rate determined by H.U.D. by adding two percent to the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the initial H.D.G. funds were released. The principal amount and accrued interest to be repaid shall be reduced by ten percent for each full year in excess of ten years that intervened between the beginning of the term of this Agreement and the Substantive Violation.

Section 12. Owner Indemnification.

Owner shall save, defend and hold harmless, the City, from any and all liability of City to H.U.D. occasioned by Owner's actions which cause the City to violate any provisions of the H.D.G. Grant Agreement.

Section 13. Sale/Partial Sale/Refinancing/Syndication.

Subject to the requirements of Section 25 of this Agreement, during the term of the Loan, Owner may sell, partially sell, refinance, syndicate or otherwise dispose of the Project so long as Owner's successor, prior to the conclusion of one of the aforesaid transactions, expressly agrees to assume (subject to any limitations on liability or recourse contained herein or therein, as may be acceptable to the City) all of the obligations of Owner under this Agreement, and any and all other agreements, understandings, documents, and/or instruments, now existing or hereafter created, relating to the Loan; provided, however, that the aforesaid rights are subject to any obligations of Owner under the H.D.G. Grant Agreement. If Owner concludes a transaction which is not in compliance with the terms of this Section XIII, the City may, in its sole discretion accelerate the Loan, and demand immediate and full payment thereof (including penalties as provided in the H.D.G. Grant Agreement), by Owner.

Section 14. General.

14.1 No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of City hereunder shall inure to the benefit of its successors and assigns; and all obligations of Owner shall bind its executors or administrators or its successors or assigns.

14.2 This Agreement shall become effective, after signed by the City, when it is signed by the Owner.

14.3 All rights of the City to and under this Agreement, and in and to the H.D.G. Collateral shall pass to and may be exercised by any assignee thereof. Owner agrees that if City gives notice to Owner of an assignment of said rights, upon such notice, the liability of Owner to the assignee shall be immediate and absolute. Owner shall not set up any claim against the City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Owner shall not waive hereby any right of action to the extent that waiver is expressly made unenforceable under applicable law.

Section 15. Housing And Urban Development Approval.

During the term of this Agreement, it shall not be amended in any material respect without the prior written approval of the Secretary. "Material," for purposes of this Section, shall be defined as anything which cancels or reduces any developmental, construction, job creating or financial obligation of Owner by more than 10 percent (10%) in the aggregate, changes the site or character of any development activity or increases any time for performance by a party by more than thirty (30) days (other than by reasons of Force Majeure).

Section 16. Equal Employment Opportunity.

Owner and its successors and assigns, agree that during the term of the Loan:

16.1 Owner will use reasonable efforts to ensure equal employment opportunities without regard to race, color, religion, sex, national origin, age or physical handicap. Such efforts may include, but not be limited to, the following: employment upgrading, demotion,

transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

16.2 Owner will, in all solicitations of, or advertisements for, employees placed by or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin, age or physical handicap.

16.3 Owner will include the provisions of subsections 16.1 and 16.2 of this Section XVI in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be.

16.4 The Owner agrees to market units in the Project in accordance with the H.U.D.-approved Affirmative Fair Housing Marketing Plan, Form H.U.D.-935.2 and all applicable fair housing and equal opportunity requirements.

16.5 The parties hereto acknowledge that local residency requirements shall not be permitted with respect to the occupancy of the Project, but that local residency preferences are permissible to the extent that they are not inconsistent with affirmative fair housing marketing objectives and the Owner's H.U.D.-approved Affirmative Fair Housing Marketing Plan. Persons expected to reside in the community as a result of current or planned employment will be treated as residents for purposes of a residency preference 16.6. The Owner agrees that all management and maintenance functions will be performed in compliance with applicable equal opportunity requirements.

16.7 The parties hereto acknowledge that nothing contained in this Agreement shall preclude enforcement by the Federal Government of this Agreement, civil rights statutes, or other provisions of law that apply to the H.D.G. program.

Section 17. Utilization Of Minority And Women Owned Business Enterprises.

17.1 Pursuant to Executive Order 85-2, issued by the Mayor of the City on April 3, 1985, and 24 C.F.R., Part 850.35(b), both of which are expressly incorporated herein by reference, Owner agrees to develop a plan to expend not less than 25% of the total dollar value of the construction contract with one or more certified M.B.E., and not less than 5% of the total dollar value of the construction contract with one or more certified W.B.E.

17.2 Owner's M.B.E./W.B.E. commitments may be met by: (i) contracting or subcontracting a portion of the work on the Project to one or more M.B.E. or W.B.E.; (ii) purchase materials used in completing the Project from one or more M.B.E. or W.B.E.; or (iii) any combination of the foregoing. The Purchasing Agent of the City of Chicago, upon request, will provide assistance in identifying qualified and certified M.B.E. and W.B.E., eligible for consideration as contractors, subcontractors, materialmen and/or vendors. Request for assistance should be addressed to:

Mr. McNair Grant
City of Chicago Department of
Purchases, Contracts and Supplies
Monitoring and Compliance
Kraft Building--Room 101A
510 North Peshtigo Court
Chicago, Illinois 60611

17.3 M.B.E. and W.B.E. proposed by Owner for participation in the Loan, shall be certified by the City as of the date of such submission to the Purchasing Agent. In the alternative, Owner shall submit an affidavit or acceptable equivalent that the proposed M.B.E. or W.B.E. participant has, as of the date of said submission, a "Form Schedule A--Application for Certification As Qualified and Bona Fide Minority or Woman Owned Business" awaiting review by the Purchasing Agent for eligibility; provided however, that Form Schedule A may be submitted only following a prior determination by the Purchasing Agent that the work contemplated by the Owner for the proposed M.B.E. and/or W.B.E. requires capabilities and/or expertise not possessed by an existing certified M.B.E. or W.B.E.; Certifications or recertifications shall be effective for one calendar year from the date granted.

A directory of Qualified and Bona Fide Minority and Women Owned Businesses Enterprises is maintained by the Purchasing Agent at its offices as set forth in Paragraph 17.2 above.

17.4 The City endorses the participation of joint ventures in meeting the commitments of this Section XVII. However, in joint ventures with any M.B.E. or W.B.E., full credit may be denied by the Purchasing Agent unless: (i) there exists a written joint venture agreement between the parties evidencing their respective ownership interests and financial involvement in the joint venture; and (ii) the joint venture agreement specifically delineates defined managerial and other significant duties that actually will be performed by the M.B.E. or W.B.E. joint venturer. Where a joint venture entity is proposed, the joint venture agreement, and a completed "Form Schedule B" (obtained from the Purchasing Agent of the City), shall be submitted with the bid or proposal.

17.5 Owner may request a waiver from the requirements of this Section XVII, in writing, and directed to the Purchasing Agent. The request shall establish by clear and convincing evidence that full compliance with M.B.E./W.B.E. requirements is impossible or economically unreasonable under the circumstances. In the event a waiver request is granted the Owner, the Purchasing Agent may condition such waiver upon the Owner's express written agreement to make every effort to comply with the spirit of Executive Order 85- 2. The determination of the Purchasing Agent in this matter shall be final. Notwithstanding the foregoing, disbursement of loan proceeds shall not be withheld, nor shall the loan become due and payable by virtue of a default under this Section or by virtue of a determination by the Purchasing Agent pursuant to this Section, without the prior consent of F.H.A.

17.6 Owner agrees to report to the Purchasing Agent on all expenditures related to the Loan made to achieve compliance with M.B.E./W.B.E. requirements. Such reports shall

include, but not be limited to the name and business address of each M.B.E. and/or W.B.E. performing directly or indirectly, on the Project; a description of the work performed and/or products or services supplied; and any other information as may reasonably be requested by the Purchasing Agent in determining Owner's compliance with this Section XVII.

Section 18. No Assignment Or Succession.

No transfer of Loan funds by the City to Owner shall be, or be deemed to be, an assignment of H.D.G. Grant funds, and Owner shall not succeed to any rights, benefits or advantages of the City under the H.D.G. Grant, nor attain any rights, privileges, authorities or interests in or under the H.D.G. Grant.

Section 19. Disclaimer Of Relationship.

Nothing contained in the Agreement or in the H.D.G. Grant Agreement, nor any act of the Secretary or of the City, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the Secretary or the City.

Section 20. Conflict Of Interest.

No person (i) who is an employee, agent, consultant, officer or elected or appointed official of the City (or of any designated public agencies) that receives a H.D.G. and who exercises or has exercised any functions or responsibilities with respect to assisted development activities or (ii) who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Exceptions may be granted to this prohibition under the H.D.G. regulations at 24 C.F.R. Part 850.

Section 21. Limitation Of Liability.

Owner expressly agrees that no member, official, employee or agent of City Hall shall be individually or personally liable to Owner, its successors or assigns under this Agreement.

Section 22. Time Of The Essence.

Time is of the essence of this Agreement.

Section 23. Prior Agreements.

This Agreement and the other Loan documents, and any other documents or instruments executed pursuant thereto or contemplated thereby, shall represent the entire, integrated agreement between the parties hereto with respect to the acquisition and rehabilitation of the Project not yet in place, and shall supercede all prior negotiations, representations, or agreements pertaining thereto, either oral or written. This Agreement

and any provision hereof shall not be modified, amended, waived or discharged in any manner other than by a written amendment executed by all parties to this Agreement.

Section 24. Additional Provisions.

24.1 Owner shall erect a sign at the Project site which shall be consistent with criteria set by the United States Department of Housing and Urban Development and furnished to Owner by the City.

24.2 All notices, certificates or other communications shall be sufficiently given and shall be deemed to have been given on the second day following the day on which the same have been mailed by registered or certified mail, postage and fees prepaid, addressed as follows:

If to City:	City of Chicago, Illinois c/o Department of Housing 318 South Michigan Avenue Chicago, Illinois 60604 Attention: Commissioner
With Copies to:	City of Chicago c/o Department of Law City Hall - Room 511 Chicago, Illinois 60602 Attention: Corporation Counsel
If to Owner:	Woodland Park Partners 40 Skokie Boulevard Third Floor Northbrook, Illinois 60062 Attention: Sheldon Ginsburg
With Copies to:	Rudnick and Wolfe 30 North LaSalle Street Chicago, Illinois 60602 Attention: Mr. Jay Gilbert
If to Bond Lender:	Same as City

The parties may designate, in writing, any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

24.3 Completion of the Project shall be unconditionally guaranteed by the Owner, but no general partner of Owner nor any limited partner of Owner shall have any personal liability for such completion. Repayment of the Loan shall be solely the responsibility of the Owner, but no other person, the general partners of Owner or any limited partner of Owner shall have personal liability for repayment of the Loan.

24.4 If any provision hereof is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed severed from this Agreement to the extent of such invalidity or unenforceability, and the remainder hereof will not be affected thereby, each of the provisions hereof being severable in any such instance.

24.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 25. Acknowledgement Of F.H.A. Requirements.

The provisions of this Section 25 shall apply for so long as the Secretary of Housing and Urban Development or his/her successors or assigns is the insurer or holder of the first mortgage on the Project and for so long thereafter as H.U.D. holds title to the Project by virtue of a foreclosure of such first mortgage or deed in lieu thereof. The provisions in this Section 25 supercede any other provision in this Agreement that is in conflict or inconsistent with the provisions of this Section 25.

- A. The Loan shall be assumable by a purchaser or transferee of the Project in the event of a sale or transfer of physical assets of the Project; provided that not more than seventy percent (70%) of the "net proceeds" (as that term is hereinafter defined) of the sale or transfer is applied to the reduction of the Loan. As used herein, the term "net proceeds" means the funds available to the seller or transferor after (1) correcting any monetary or covenant default on the F.H.A.-insured mortgage; (2) making required contributions to any reserve fund; and (3) making needed improvements to the property as evidenced by H.U.D.'s annual inspection reports.
- B. All work performed with the proceeds of the Loan shall be cost certified and conform with Davis-Bacon requirements, if applicable.
- C. The mortgage securing the Loan shall be subject and subordinate to the F.H.A.-insured mortgage, the Regulatory Agreement and the F.H.A. Building Loan Agreement.
- D. The proceeds of the Loan shall be used only for project related costs.
- E. The Loan shall automatically terminate if H.U.D. acquires title to the Project by deed in lieu of foreclosure.
- F. If required by H.U.D., Owner, City and H.U.D. shall enter into an agreement which complies with the regulations contained in 24 C.F.R. 207.19(c).

Section 26. Non-Recourse.

The obligations of the Owner created under this Agreement and the other Loan Documents are solely that of the Owner and none of the partners of the Owner shall have any liability for the payment of any sums due hereunder, and, there shall be no recourse against the partners of Owner individually or any assets of such partners which are not assets of the Owner, except with respect to duties to indemnify the City hereunder.

In Witness Whereof, the City of Chicago, and Woodland Park Partners have caused this Agreement to be duly executed and delivered as of the date first above written.

[Signature forms omitted for printing purposes.]

Exhibits A, B, C and D attached to this ordinance read as follows:

Exhibit A.

To Owner/Grantee Agreement.

1. Grantee Activities. The City, as Grantee under the H.D.G. Grant shall do the following:

(a) Grantee shall lend not more than \$6,900,000 in Housing Development Grant (H.D.G.) funds to the Owner to be used for a development cost writedown for the Project. Such loan shall be secured by a second mortgage.

(b) Grantee shall enter into an Owner/Grantee Agreement in accordance with Article V of the Grant Agreement.

2. Non-Grantee Activities.

(a) Owner shall commit an equity contribution of not less than ten percent (10%) of the Total Settlement Requirements (Exhibit M-1, Line J-11) or the amount specified in Exhibit M-1, Section K.4.d. (\$1,760,039) whichever is greater at the time of cost certification. Based on current costs, the Owner's equity contribution is 10 percent or \$1,974,067. The equity contribution shall consist of cash (\$960,225), builder's fee (\$799,814) and a letter of credit for working capital reserves (\$214,028). If at the time of cost certification, Total Settlement Requirements (Exhibit M-1, line J-11) increase, the equity contribution will increase accordingly.

(b) In the event the letter of credit for working capital reserves is not needed for the Project, then the amount of the letter of credit, or any remaining portion thereof, shall be paid to the Grantee upon the Lender's release. Such payment to the Grantee shall be treated as Program Income (24 C.F.R. 850.151) and shall help to satisfy the Owner's 10 percent equity contribution.

(c) Owner shall acquire for the sum of \$1,556,918 the site described in the Application at Part M-7 and shall develop the site as described in Section 1.01(e) of this Grant Agreement in accordance with the requirements of this Grant Agreement and the Owner/Grantee Agreement described in Article V of this Grant Agreement.

(d) Owner shall enter into an Owner/Grantee Agreement in accordance with Article V of this Grant Agreement.

(e) Owner shall agree to the imposition of the covenants running with the land enforcing the H.D.G. program requirements for the Project Term as described in Section 5.01 and Exhibit D.III. (f) of this Grant Agreement.

(f) Owner shall acquire and rehabilitate the Property, and develop the Project into a residential rental facility with 240 apartments and an outdoor parking area and recreational space.

(g) Owner shall assure that during the Project Term, the 48 units specified as lower income units in Section 1.01(c)2 of the Grant Agreement (as set forth below) are occupied or available for occupancy by Lower Income Households as defined in 24 C.F.R. 813.102. The 30 units shall be distributed as follows:

- (i) 0 Bedrooms - 0 rental units
- (ii) 1 Bedrooms - 15 rental units
- (iii) 2 Bedrooms - 33 rental units
- (iv) 3 Bedrooms - 0 rental units

(h) Owner shall enter into and execute a Restrictive Covenants Agreements with the City, in recordable form.

(i) Owner shall develop affirmative programs relating to utilization of M.B.E. and W.B.E. firms, and an Affirmative Fair Housing Marketing Plan.

(j) Owner shall develop the site identified in the H.D.G. application at Part M- 7 and described in Section 1.01(e) of the H.D.G. Grant Agreement.

(k) H.D.G. loan funds and the cash and letter of credit portions of the owner's equity (to the extent not expended or disbursed at or prior to the initial disbursement of H.D.G. loan funds) shall be held by the Lender under the Senior Financing or another third party trustee or escrow agent acceptable to the City from which disbursements of principal and interest shall be made to the Owner for the costs stated in the project budget.

(l) Benton Mortgage Company as Insurer of the first mortgage loan in the amount of \$10,701,400 has issued a firm commitment to insure the aforesaid first mortgage loan. Evidence of this insurance shall be the Firm Commitment as issued by Benton Mortgage Company dated June 11, 1987, as amended. Disbursement of H.D.G. funds shall require H.U.D. endorsement on the first mortgage note by the Federal Housing Commissioner.

All of the aforesaid activities are for and in connection with the Project as the same is more particularly described in the City's H.D.G. Application.

Exhibit B

To Owner/Grantee Agreement.

Owner and Grantee have entered into an Agreement with may be part of the Owner/Grantee Agreement described in Paragraph 3 of Exhibit C which shall obligate:

1. Grantee to make a loan to the Owner of not more than \$6,900,000 of Grant funds ("H.D.G. loan") which shall be used as development cost writedown for the Project as described in this Grant Agreement. The terms and conditions of the H.D.G. loan shall be consistent with the following:

a. Term of the loan shall be 40 years.

b. Repayment shall be at three percent (3%) simple interest for a period of 40 years. Payments on the H.D.G. loan shall be made from surplus cash as defined in the H.U.D./F.H.A. Regulatory Agreement. Such payments shall be made to the Grantee after the Owner realizes a 14 percent return on the equity investment from surplus cash. Any remaining surplus cash after making a return on equity payment shall be split 50 percent to the Grantee and 50 percent to the Owner. At the end of year 40, any outstanding balance on the H.D.G. principal and accrued interest shall be due and payable.

2. Evidence of this commitment shall be in accordance with Section 7.04 of the Grant Agreement.

3. Owner shall commit to an equity contribution of not less than ten percent (10%) of the total Settlement Requirements (Exhibit M-1, Line J-11) or the amount specified in Exhibit M-1, Section K.4.d. (\$1,760,039) whichever is greater at the time of cost certification. Based on current costs, the equity contribution is calculated to be not less than \$1,974,067 and shall be provided as specified in Exhibit _____ of the Grant Agreement.

Grantee's attorney or an acceptable banking institution shall certify that not less than \$1,974,067 is available or irrevocably committed to the Project by the Owner. Such certification shall be in accordance with Section 7.08 of the Grant Agreement.

4. Lender shall lend to the Owner not less than \$10,701,400 for development of the Project. Terms of the loan are as specified in Exhibit _____ of the Grant Agreement. Evidence of this commitment shall be in accordance with Section 7.06 of the Grant Agreement and the Lender shall acknowledge in a recorded document the existence of and agreement to comply with the covenants running with the land as specified in Exhibit _____ of the Grant Agreement.

5. Co-Insurer shall insure the first mortgage in the amount of \$10,701,400 in accordance with the terms of the Firm Commitment it issued on June 11, 1987. Evidence of this insurance shall be H.U.D. endorsement of the first mortgage not insured by the Co-Insurer.

Exhibit C.

To Owner/Grantee Agreement.

The following documentation shall be completed and submitted to the City prior to the disbursement of any Grant Funds:

1. All governmental approvals and permits necessary for the commencement of the activities shall have been obtained or provided. Evidence of this requirement shall be a written certification from the City, signed by the chief executive officer, in accordance with Section 7.02 of the Grant Agreement.

2. Title to all land necessary for the Project shall be held by the Owner. Evidence of this commitment shall be in accordance with Section 7.02 and Section 7.09 of the Grant Agreement.

3. This Owner/Grantee Agreement, which shall include all of the requirements of Article V of the Grant Agreement, the applicable requirements of Article VI of the Grant Agreement and the provisions of Exhibits B, and C of the Grant Agreement ascribed to the Owner and Grantee to be performed within the performance schedules set forth in Exhibit E of the Grant Agreement and shall also include the following attachments:

(a) In accordance with 7.04 of the Grant Agreement, mortgages or other security instruments securing the Owner's obligations under the Owner/Grantee Agreement pursuant to Article V of the Grant Agreement and repayment of the H.D.G. in the event of the Owner's Substantive Violation of the obligations, as described in Section 12.03 of the Grant Agreement.

(b) The Affirmative Fair Housing Marketing Plan for the Project, Form H.U.D.-935.2, prepared by the Owner and submitted by the Grantee to H.U.D. for approval.

(c) A plan for minority and women-owned business enterprise.

(d) The Grantee's rent mechanism, in accordance with Section 5.03(g), which shall have been approved by H.U.D.

(e) The investment plan, with the schedule of disbursements in accordance with Section 9.03(e) of the Grant Agreement, in the event the H.D.G. is to be invested in an account for the purpose of making a periodic assisted rental payment (A.R.P.).

(f) The means to be used by the Grantee to enforce (i) the Owner's obligations under the Owner/Grantee Agreement e.g. a regulatory agreement and (ii) the H.D.G. restrictions set forth in Section 5.03(a)-(f) of the Grant Agreement, i.e. covenants running with the land or deed restrictions, which shall be in effect for at least the project term and shall assure that the H.D.G. requirements survive all other interests in the project, including a change in ownership and/or foreclosure.

(g) An opinion of counsel that the agreement is legally binding under State and local law and conforms to the requirements of this Grant Agreement.

4. In accordance with Section 7.06 of the Grant Agreement, mortgages and other security instruments securing the public and private financing.

5. Legally binding commitments to be submitted to H.U.D. for approval shall include:

Exhibit D.

Project Performance Schedule.

(a) The evidentiary materials described in Exhibit C of the Grant Agreement must be submitted to the Secretary by the Grantee not later than August, 1987.

(b) Upon notification to the Grantee of the approval by the Secretary of the evidentiary materials required by subparagraph (a) above, Grantee shall be authorized to draw down Grant funds in accordance with Section 9.03 of the Grant Agreement consistent with Letter of Credit or Electronic Transfer procedures and other provisions of the Grant Agreement.

The Grantee Activities described in Exhibit B of the Grant Agreement and the Non-Grantee Activities described in Exhibit C of this Grant Agreement shall be commenced and completed in accordance with the following schedule.

Grantee Activity	Date
Execute Owner/Grantee Agreement	8/87
Close on Second Mortgage	8/87
Non-Grantee Activity	Date
Site Preparation	9/87
Start of Construction	11/87
Complete Construction	5/89
Initial Occupancy	6/88
50% Occupancy	4/89
100% Occupancy	10/89

Adjournment.

Alderman T. Evans moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.

A handwritten signature in cursive script, reading "Walter S. Kozubowski".

WALTER S. KOZUBOWSKI,
City Clerk.