



Office of the Chicago City
Clerk



O2012-647

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	2/15/2012
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Allocation of Chicago/Central Park TIF funds for Neighborhood Improvement Program
Committee(s) Assignment:	Committee on Finance

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CHICAGO March 14, 2012

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An ordinance authorizing the creation of the Chicago/Central Park Area Neighborhood Purchase and Rehabilitation Program.

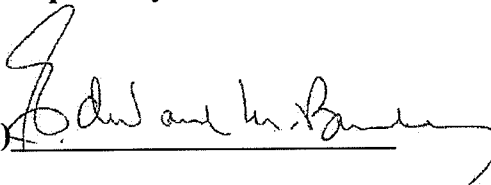
O2012-647

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed

Ordinance Transmitted Herewith

This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s)).

Respectfully submitted

(signed) 

Chairman



FIN

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

February 15, 2012

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith an ordinance authorizing an allocation of Chicago/Central Park TIF funds for the Neighborhood Improvement Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in the City there are numerous homes and residential buildings that are vacant; and

WHEREAS, it is in the best interest of the City to promote and assist City residents in the purchase of vacant owner-occupied housing by establishing programs whereby the City assists income-eligible homebuyers in the purchase and rehabilitation of their new housing; and

WHEREAS, by an ordinance adopted by the City Council of the City ("City Council") on May 4, 2011, and published in the Journal of Proceedings of the City Council ("Journal") for said date at pages 117057 to 117064, inclusive (the "Establishment Ordinance"), the City authorized the Commissioner of the Department of Housing and Economic Development ("HED") to develop a "Vacant Building TIF Purchase and Rehabilitation Program" ("Program") to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing; and

WHEREAS, the City, through HED, now desires, in accordance with the Establishment Ordinance, to implement the Program and to enter into an agreement substantially in the form attached hereto as Exhibit A, and made a part hereof, with Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS"), to perform certain administrative services for the Program in redevelopment project areas ("Eligible TIF Areas") that have been authorized by the City Council (the "Program Agreement"); and

WHEREAS, to induce redevelopment pursuant to the Act in the Chicago/Central Park Redevelopment Project Area ("Chicago/Central Park Area"), the City Council adopted the following ordinances on February 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Chicago/Central Park Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Chicago/Central Park Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Chicago/Central Park Redevelopment Project Area"; and

WHEREAS, the City Council now desires to designate the Chicago/Central Park Area as the initial Eligible TIF Area for the Program and to authorize an amount not to exceed \$1,000,000 to administer the Program in the Chicago/Central Park Area; and

WHEREAS, the City's obligation to provide funds for the Program in the Chicago/Central Park Area will be met through (i) incremental taxes deposited in the Special Tax Allocation Fund of the Chicago/Central Park Area, or (ii) any other funds legally available to the City for this purpose; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this

ordinance as though fully set forth herein.

SECTION 2. The Establishment Ordinance is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

(a) Section 2(b)(1) definition of "Closing costs":

"Closing costs" means reasonable and customary costs, not to exceed ~~three~~ six percent of the base purchase price, associated with the closing of the purchase of the eligible property, including, but not limited to, transfer taxes, title company charges and recording fees.

(b) Section 2(b)(5):

The commissioner shall prepare applications, in a form prescribed by the commissioner, which shall include all the information needed by the department to evaluate the applicant's eligibility to participate in the Program. Attached to every application shall be a copy of an inspection report for the proposed property prepared by a licensed and bonded home inspector or licensed contractor, and any other information deemed necessary by the commissioner.

SECTION 3. The Program in the Chicago/Central Park Area is hereby created, which program shall, among other things, assist income-eligible homebuyers in the purchase and rehabilitation of their new housing in the Chicago/Central Park Area. An amount not to exceed \$1,000,000 is hereby appropriated from the Special Tax Allocation Fund of the Chicago/Central Park Area to fund the Program in the Chicago/Central Park Area.

SECTION 4. NHS is hereby authorized to administer the Program in the Chicago/Central Park Area, subject to the supervision of HED.

SECTION 5. The Commissioner of HED or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Program Agreement between NHS and the City substantially in the form attached hereto as Exhibit A and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Program Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Program Agreement.

SECTION 6. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 7. This ordinance shall be effective as of the date of its passage.

EXHIBIT A

Form of Program Agreement

[See attached]

**VACANT BUILDING TIF PURCHASE AND REHABILITATION
PROGRAM AGREEMENT FOR SINGLE-FAMILY HOMES**

This Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Single-Family Homes (the "Agreement") is made on _____, 2012 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Housing and Economic Development ("HED" or "Department"), and Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS").

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "TIF Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by an ordinance adopted by the City Council of the City on May 4, 2011, the City authorized the Commissioner of HED to establish a "Vacant Building TIF Purchase and Rehabilitation Program" to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing (the "Program"); and

WHEREAS, in the City there are numerous homes and residential buildings that are vacant; and

WHEREAS, it is in the best interest of the City to promote and assist City residents in the purchase of owner-occupied housing by establishing programs whereby the City assists income-eligible homebuyers in the purchase and rehabilitation of their new housing; and

WHEREAS, by an ordinance adopted by the City Council of the City on _____, 2012, the City has approved the execution and delivery of this Agreement to implement a portion of the Program in the TIF Areas designated in Exhibit A of this Agreement; and

WHEREAS, HED desires to implement a portion of the Program by using the services of NHS, and NHS desires to administer a portion of the Program in accordance with the provisions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I – Incorporation and Recitals

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE II – Definitions

"Application" means an application from a potential Eligible Homebuyer for a Grant hereunder, in a form prepared by NHS and approved by HED.

"Base Purchase Price" means the purchase price of an Eligible Property, excluding any taxes, insurance, closing costs, or other such costs.

"Closing Costs" means reasonable and customary costs, not to exceed 6% of the Base Purchase Price, associated with the closing of the purchase of the Eligible Property, including, but not limited to, transfer taxes, title company charges and recording fees.

"Commissioner" means the commissioner of HED.

"Corporation Counsel" means the Corporation Counsel of the City.

"Department" or "HED" means the Department of Housing and Economic Development.

"Eligible Costs" means Purchase Price Assistance and Substantial Rehabilitation Assistance that are also eligible for reimbursement pursuant to the TIF Act.

"Eligible Homebuyer" means a Homebuyer with a Household Income of up to 120% of the PMSA Median Income.

"Eligible Property" means a Residential Building, or a Housing Unit in a condominium or cooperative building, that is:

- (1) Vacant; and
- (2) located in an Eligible TIF Area in the City; and
- (3) in need of Substantial Rehabilitation.

For purposes of this definition, the term "condominium building" means a form of property established pursuant to the Illinois Condominium Property Act; and the term "cooperative building" means a multiple-family building owned by a cooperative corporation, stock in which affords the owner thereof the right to possess or occupy a particular cooperative allocated to that stock within the complex. This right of possession or occupancy is granted through a proprietary lease or similar arrangement, and, unlike the owner of a condominium unit, the owner of the cooperative stock does not hold legal title to his or her individual cooperative.

"Eligible TIF Area" means any TIF Area listed in Exhibit A to this Agreement as being eligible to receive Program Funds.

"Event of Default" means any event of default as set forth in Section 5.1 hereof.

"Grant" means any conditional grant of funds made by NHS to an Eligible Homebuyer from Program Funds.

"Grant Documents" means the agreements entered into between NHS and an Eligible Homebuyer in connection with a Grant, the Recapture Mortgage, and any other documents required by either HED or NHS to be executed in connection with a Grant, which documents shall be in substantially the form approved by the Corporation Counsel.

"Homebuyer Education Certificate" means the certificate the Eligible Homebuyer receives after completion of an eight-hour HUD-certified homebuyer curriculum required in Section 4.3(b) of this Agreement in order to be eligible for the Grant.

"Household" means, collectively, all the persons who occupy a Housing Unit as their primary residence.

"Household Income" means the combined income of the members of a Household for the calendar year preceding the date that the application for the Program is filed with NHS.

"Housing 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 "housing unit" does not include dormitories, or hotels as that term is defined in Section 13-4-010 of this code.

"Maximum Program Assistance" means the total amount of Purchase Price Assistance and Substantial Rehabilitation Assistance granted to an Eligible Homebuyer for the purchase and Substantial Rehabilitation of an Eligible Property, but which shall be limited to no greater than 25% of the sum of the Base Purchase Price plus the cost of the Substantial Rehabilitation of the Eligible Property.

"NHS" means Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, and its successors and assigns.

"NLS" means Neighborhood Lending Services, Inc., a non-profit Illinois Residential Mortgage Licensee and related entity to NHS, and its successors and assigns.

"PMSA Median Income" means the Primary Metropolitan Statistical Area median income, for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by the United States Department of Housing and Urban Development from time to time.

"Principal Residence" means an Eligible Homebuyer's primary or chief residence that he or she actually occupies on a regular basis.

"Program" means the Vacant Building TIF Purchase and Rehabilitation Program established pursuant to an Ordinance adopted by the City Council of the City on May 4, 2011, and this Agreement.

"Program Funds" means those funds which will be used by the City to implement the Program in accordance with this Agreement.

"Purchase Price Assistance" means financial assistance awarded by the Department to Eligible Homebuyers to be used for the Base Purchase Price and Closing Costs associated with the purchase of an Eligible Property.

"Recapture Mortgage" means the recapture mortgage, in a form to be approved by the Corporation Counsel, that shall be recorded with the Office of the Cook County Recorder of Deeds following the closing of a Grant to secure the continuing occupancy requirements set forth in Section 4.3(n) of this Agreement.

"Reservation of Program Funds" means the conditional reservation of funds issued by NHS upon an initial determination of eligibility for the Program by NHS, pursuant to Section 4.3 of the

Agreement.

"Residential Building" means a building designed, arranged, used or intended to be used for residential occupancy that contains 4 or few Housing Units.

"State" means the State of Illinois.

"Substantial Rehabilitation" means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure or portion thereof requiring a permit issued by the city and costing \$25,000.00 or more per Housing Unit to rehabilitate.

"Substantial Rehabilitation Assistance" means the amount of assistance granted to an Eligible Homebuyer under the Program that shall be used for the Substantial Rehabilitation of the Eligible Property.

"TIF Act" means the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time

"TIF Area" means a redevelopment project area designated pursuant to the TIF Act.

"Vacant" means a Residential Building, or a Housing Unit in a condominium or cooperative building, which is lacking the habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful residential occupancy has ceased; provided that a Residential Building or a Housing Unit in a condominium or cooperative building shall not be deemed vacant if it has been used as a residence by a person entitled to possession for a period of at least three months within the previous nine months and a person entitled to possession intends to resume residing at the property.

"Voucher" means the form, as approved by HED, that NHS shall submit to receive compensation for its services under this Agreement, in accordance with the terms stated in Section 6.5 of this Agreement.

ARTICLE III - REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties. In connection with the executions and delivery of this Agreement, NHS represents and warrants to the City that:

(a) NHS is incorporated in the State as a not-for-profit corporation; and is in good standing in the State;

(b) NHS is financially solvent and able to pay its debts as they mature;

(c) NHS, its employees, agents and officials are competent and qualified to perform the services required under this Agreement;

(d) NHS has the right, power and authority to execute, deliver and perform, or cause to be performed, this Agreement under the terms and conditions stated herein; NHS has obtained and received all necessary approvals from its Board of Directors and any other required approvals which are necessary for NHS to execute and deliver this Agreement and to perform its duties hereunder;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City is employed by NHS or has a financial or economic interest directly in this Agreement or the compensation to be paid hereunder except as may be permitted by the Board of Ethics established pursuant to the Municipal Code of Chicago;

(f) NHS is not in default on any contract or Grant awarded to NHS by the City at the time of the execution of this Agreement, and NHS has not been, within five years preceding the date hereof, in default on any contract or Grant awarded to NHS by the City;

(g) NHS has carefully examined and analyzed the provisions and requirements of this Agreement and, from this analysis, NHS has satisfied itself as to the nature of all things needed for the performance of this Agreement; and the time available to NHS for such examination, analysis, inspection and investigation has been adequate;

(h) this Agreement is feasible of performance by NHS as appropriate, in accordance with all of its provisions and requirements;

(i) except only for those representations, statements or promises expressly contained in this Agreement and any exhibits attached hereto and incorporated by reference herein, no representation, statement or promise, oral or in writing, or of any kind whatsoever, by the City, its officials, agents or employees, has induced NHS to enter into this Agreement or has been relied upon by NHS including any with reference to: (A) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (B) the general conditions which may in any way affect this Agreement or its performance; (C) the compensation provisions of this Agreement; or (D) any other matters, whether similar to or different from those referred to in (A) through (C) immediately above, affecting or having any connection with this Agreement, the negotiation hereof, any discussions hereof, the performance hereof or those employed herein or connected or concerned herewith;

(j) NHS was given ample opportunity and time and was requested by the City to review thoroughly this Agreement prior to execution of this Agreement in order that NHS might request inclusion in this Agreement of any statement, representation, promise or provision which is desired or on which NHS wished to place reliance, that it did so review said documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, NHS expressly hereby relinquishes the benefit of any such omitted statement, representation, promise or provision and NHS is willing to perform this Agreement in its entirety without claiming reliance thereon or making any other claim on account of such omission;

(k) there are no actions or proceedings by or before any court or governmental commission, board, bureau or other administrative agency pending or, to the knowledge of NHS, threatened, against or affecting NHS which if adversely determined could materially and adversely affect the ability of NHS to perform hereunder or which might result in any material, adverse change to the financial condition of NHS or may materially affect the property or assets of NHS; and

(l) this Agreement has been executed and delivered by authorized officers of NHS and constitutes a legal, valid and binding obligation of NHS, enforceable in accordance with its terms.

3.2 Covenants. In connection with the execution and delivery of this Agreement, NHS

covenants to the City that:

(a) except for its own employees, NHS will not use any individual, organization, partnership or corporation to carry out any of the duties or obligations of NHS hereunder, unless (1) NHS first obtains a certification of such individual, organization, partnership or corporation substantially the same as the representations, warranties and covenants contained in this Article III and in Article IV hereof, (2) such certifications shall be addressed and delivered to the City and (3) the City approves, in writing, the use of such individual, organization, partnership or corporation;

(b) all warranties and representations of NHS contained in this Agreement will be true, accurate and complete at the time of each Grant made pursuant to this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto for the length of this Agreement;

(c) NHS shall be subject to, obey and adhere to any and all federal, State and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect during the term of this Agreement which may be applicable to NHS;

(d) NHS shall remain solvent and able to pay its debts as they mature;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City shall have any personal interest, direct or indirect, in the business of NHS or shall participate in any decision relating to the business of NHS which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly interested;

(f) no former member of the governing body of the City and no former other elected official, appointed official, officer, agent, consultant or employee of the City shall, for a period of one year after the termination of such person's term of office or employment, assist or represent NHS in any business transaction involving the City or any of its agencies, if the person participated personally and substantially in the subject matter of the transaction during his/her term of office or employment, provided that if the person exercised contract management authority with respect to this Agreement (including any Grant), this prohibition shall be permanent as to this Agreement;

(g) NHS shall immediately notify the City of any and all events or actions which may materially adversely affect the ability of NHS to carry on its operations or perform any or all of its obligations under this Agreement at any time while this Agreement is in effect;

(h) NHS shall not enter into any other agreement or transaction which would conflict with the performance of the duties of NHS hereunder or under any of the Grant Documents;

(i) during the term of this Agreement, NHS shall continue as an Illinois not-for-profit corporation in good standing under the laws of the State; and

(j) NHS shall enforce all provisions of the Grant Documents in accordance with the terms thereof and shall provide to the City all notices required hereunder or thereunder.

ARTICLE IV – Duties and Obligations

4.1 NHS shall execute and deliver to HED such documents as may be required by the Corporation Counsel to evidence NHS's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of Exhibit B attached hereto and incorporated herein.

4.2 (a) In each Eligible TIF Area, NHS shall use Program Funds authorized by the City for the Eligible TIF Area to provide Purchase Price Assistance and Substantial Rehabilitation Assistance to an Eligible Homebuyer for the purchase and Substantial Rehabilitation of an Eligible Property, consistent with the provisions of this Agreement.

(b) NHS agrees that the total amount of funds available for the Program in any Eligible TIF Area shall be up to the amount stated in Exhibit A of this Agreement for such Eligible TIF Area and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. NHS shall provide written notice to the City when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of NHS pursuant to Section 6.5, equals 80% of the Program Funds authorized for each Eligible TIF Area and thereafter when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of NHS pursuant to Section 6.5, equals 100% of the Program Funds authorized for each Eligible TIF Area. Program Funds are deemed committed for purposes of this Section when NHS has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an Application pursuant to Section 4.3(e) to an Eligible Homebuyer. No Grants shall be made or committed to be made by NHS hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to NHS pursuant to Section 6.5, exceeding the amounts authorized for an Eligible TIF Area, as identified in Exhibit A to this Agreement (or such other amount as the City may determine from time to time). No Grants shall be made or committed to be made by NHS hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.

(c) This amount of Program Funds authorized for any Eligible TIF Area may be changed from time to time upon written notice by HED to NHS, provided that the aggregate amount shall not exceed the amount listed for such Eligible TIF Area in Exhibit A to this Agreement (or such other amount as the City may determine from time to time).

4.3 NHS shall manage the Program in the following manner (or as otherwise agreed to by HED and NHS):

(a) NHS will work with HED to provide information to potential Eligible Homebuyers about the availability of the Program, including explaining what the Program offers and the income, property and residency requirements. Program Funds shall be available on a first-come, first-served basis.

(b) NHS shall require potential Eligible Homebuyers to complete an eight-hour HUD-certified homebuyer curriculum in order to be eligible for the Grant (in addition to meeting the other eligibility requirements) and receive a certification of completion ("Homebuyer Education Certificate"). If the

potential Eligible Homebuyer is getting financing from Neighborhood Lending Services, Inc. ("NLS"), then the homebuyer curriculum must be one that is acceptable to NLS.

(c) Potential Eligible Homebuyers who are interested in receiving funds through the Program shall be required to contact NHS to receive Pre-Approval. Prior to issuing the Pre-Approval, NHS shall verify that the Household Income of the potential Eligible Homebuyer is no more than 120% of the PMSA Median Income. The Pre-Approval would be valid for 90 days. After receiving the Pre-Approval, the prospective Eligible Homebuyer would begin his/her search for an Eligible Property to purchase. NHS shall provide a list to the potential Eligible Homebuyer of the Eligible TIF Areas in which the Program is active.

(d) NHS shall inform potential Eligible Homebuyers of the process and documentation that is required in order for them to both obtain a Reservation of Program Funds and to receive final approval for the Grant.

(e) Before potential Eligible Homebuyers can be declared eligible to receive a Reservation of Program Funds, the potential Eligible Homebuyer must complete an Application. NHS shall accept and process Applications in the following manner (or as otherwise agreed to by HED and NHS):

(i) NHS shall make Application forms available for all Eligible TIF Areas on an ongoing basis until either no Program Funds remain for the applicable Eligible TIF Area, this Agreement is no longer in effect, or as directed otherwise by HED;

(ii) NHS shall make applications available at certain locations within each Eligible TIF Area, such as community centers or libraries (as agreed to by HED);

(iii) Applications shall also be available by calling NHS;

(iv) The Application shall be in a form approved by HED and shall include all the information needed by NHS and/or HED to evaluate the applicant's eligibility to participate in the Program. The Application shall require the following: 1) information about their current Household Income and size; 2) proof of their own funds for the required minimum down payment; 3) a copy of their Homebuyer Education Certificate; 4) a copy of their home purchase contract; 5) a copy of an inspection report for the proposed property prepared by a licensed and bonded home inspector or a licensed contractor; and 6) and any other information deemed necessary by NHS and/or HED; and

(v) All Applications shall be returned directly to NHS; the City will not accept Applications.

(f) NHS shall forward the name, address and Social Security number(s) of every potential Eligible Homebuyer to HED for the processing of a scofflaw check. If the scofflaw check reveals that any amounts are owed to the City, then the materials requested by NHS shall include evidence that all such amounts have been paid or that the applicant has entered into a payment plan with the City.

(g) A Reservation of Program Funds shall be effective for a 90-day period, with an option for the potential Eligible Homebuyer to submit a written request for a 30-day extension. The required information will be collected by NHS for processing and the issuance of a Reservation of Program Funds. The Reservation of Program Funds confirmation letter shall include a list of all of the

conditions that will need to be met in order to actually receive the Grant and close on it. NHS will have the responsibility for certifying that the potential Eligible Homebuyer meets the income and residency guidelines, as well as for checking that the home is located within an Eligible TIF Area.

(h) If all Program funds in an Eligible TIF Area are fully reserved, NHS will establish a wait list for additional Reservations of Program Funds on a first-come, first-served basis. If an Eligible Homebuyer does not use his/her reserved funds within the required time period, NHS will notify the Eligible Homebuyer that the funds are no longer reserved and contact the next Eligible Homebuyer on the wait list.

(i) Once there is a sales contract, and upon a Reservation of Program Funds, NHS will request a construction specialist do a HUD Quality Standards ("HQS") inspection, Environmental Clearance and Risk Assessment for Lead Based Paint and to prepare the scope of work/specifications for the required Substantial Rehabilitation.

(j) The construction specialist shall assist the Eligible Homebuyer in securing bids (in the manner prescribed in Section 4.4(a) of this Agreement) for the work, based on the specifications, from licensed, insured contractors. The construction specialist shall review the bids with the Eligible Homebuyer for completeness and cost, assist the borrower in evaluating and comparing the proposals, and secure the Eligible Homebuyer's contractor selection.

(k) The contractor's proposal, plus a 10% contingency, the purchase price, and the closing costs will constitute the "Total Project Cost."

(l) Once the Total Project Cost has been determined, the file will be referred to NLS (if NLS is the lender) to provide final credit approval for the Grant, in an amount not to exceed 25% of the Total Project Cost. NHS will issue a Commitment Letter for the Grant, together with any conditions that apply.

(m) In order to receive final approval of the Grant and move to closing, the Eligible Homebuyer will have to provide a contractor's proposal for Substantial Rehabilitation of the Eligible Property (according to the scope of work developed by NHS), proof of the contractor's license and insurance, and a copy of the commitment letter from their lender that is specific with regard to the terms of the senior loan (so that the first mortgage can be evaluated to see if it meets Program guidelines). NHS will follow up with the customer to obtain any additional required documentation, such as a copy of mortgage commitment, updated household income information, updated proof of the Eligible Homebuyer's own funds to close, and any other information required to complete the final package and submit a request for the Grant proceeds.

(n) Upon determination by NHS that an applicant is an Eligible Homebuyer, NHS may provide the Eligible Homebuyer a conditional Grant for the Purchase Price Assistance and Substantial Rehabilitation Assistance, consistent with the provisions of this Agreement, up to the Maximum Program Assistance. As a condition of receiving such assistance, the Eligible Homebuyer shall occupy the Eligible Property as the Eligible Homebuyer's Principal Residence, as follows:

Amount of Assistance
less \$15,000
\$15,000.00 - \$40,000
\$40,001 or greater

For a term of
not less than 5 consecutive years
not less than 10 consecutive years
not less than 15 consecutive years

Provided that if a longer term is required by any other applicable law, the longer term shall apply.

The term shall commence no later than 180 days after the date the Eligible Homebuyer takes title to the Eligible Property. A Recapture Mortgage shall be recorded after closing to secure the occupancy requirement condition stated above.

(o) NHS shall close all Grants consistent with the requirements in Section 4.4(c) of this Agreement.

(p) NLS will be the "lender of record" on the Note and Mortgage for the Grants. Grants will be at 0% interest. Because the Grants are deferred and/or forgivable Grants, NLS will use its "20-year term" protocol for establishing a maturity date for the Grants. Grants are conditional and shall be subject to a specified recapture period stated in Section 4.3(n) of this Agreement and shall be secured by a Recapture Mortgage. With regard to first mortgage financing, NLS shall offer its purchase-rehab mortgage product to Eligible Homebuyers, but the Eligible Homebuyers are not required to utilize NLS as their first mortgage lender. Homebuyers may utilize any first-mortgage lender that offers purchase-rehab financing, including FHA 203K lenders.

(q) NHS shall perform the following tasks after closing of the Grant and during the period when the Substantial Rehabilitation is occurring:

(i) NHS construction specialists shall meet with the Eligible Homebuyer and contractor post-closing, review the contractor's proposal again, execute an owner-contractor agreement and escrow agreements and monitor the issuance of a notice to proceed from the Eligible Homebuyer to the contractor.

(ii) During the performance of the Substantial Rehabilitation work, NHS construction specialists will make periodic inspections of work in progress, including an inspection prior to the disbursement of any funds to the contractor. All disbursements require the written authorization of both the Eligible Homebuyer and the NHS construction specialist.

(iii) NHS will process all requests for disbursements on a monthly schedule. The contractor will be responsible for providing a sworn statement, waivers of lien, and waivers of lien from sub-contractors and materialmen. No disbursements shall be made for any costs except Eligible Costs.

(iv) Program Funds will be disbursed on a *pro-rata* basis with the Eligible Homebuyer's other funds during the construction period.

(v) The Eligible Homebuyer must occupy the Eligible Property within 180 days of closing on the purchase of the Eligible Property.

4.4 NHS shall provide the following services:

(a) Technical/Rehabilitation Services. For all selected Eligible Homebuyers, NHS shall make an initial site visit to the Eligible Property, and assist the Eligible Homebuyer in the preparation of detailed plans and specifications for the renovation work. NHS shall monitor the process by which the Eligible Homebuyer selects a contractor (or contractors) to do the Substantial

Rehabilitation work to ensure that any contractor has been selected through a competitive bid process. NHS must approve the contractor selected, which must be licensed and properly insured; in its approval, NHS shall consider the financial strength of the contractor. NHS shall review the contract(s) between the Eligible Homebuyer and the contractor(s) for the renovation work. NHS shall make available to each Eligible Homebuyer (i) a current list of contractors and subcontractors which are certified by the City as Minority Business Enterprises or Women Business Enterprises, and (ii) a current list of contractors and subcontractors which have current insurance certificates and proof of City home repair and/or business licenses on file with NHS. While the requirements of Section 2-92-330 of the Municipal Code of the City of Chicago (City Resident Employment Requirement) will not apply to the renovation work done pursuant to the Program, NHS shall use its best efforts to recruit and encourage the use of qualified contractors based in Chicago (particularly in the applicable Eligible TIF Area) for the Substantial Rehabilitation work being funded pursuant to this Agreement.

(b) Requirements for Grants for Eligible Properties. NHS shall promptly prepare and execute Grant Documents for each Grant. NHS shall assure that each Grant satisfies all applicable requirements of federal, State and local law, and that:

(i) Program Funds finance only Eligible Costs; and

(ii) the Eligible Property shall be occupied by the Eligible Homebuyer as his/her Principal Residence.

(c) Closing. NHS shall promptly close each Grant. All Grants will close at a title company, with title insurance and a construction escrow established. Closing costs will include the cost of the construction escrow, date-downs of title as the rehabilitation work progresses, recording fees, and any other costs required by HED. Prior to disbursement of any Program Funds by NHS, NHS shall require each Eligible Homebuyer to enter into the Grant Documents, and the Grant Agreement and Recapture Mortgage (and any other documents required by HED and/or NHS) shall be recorded with the Office of the Cook County Recorder of Deeds. NHS shall provide in all Grant Documents that the City is a third-party beneficiary of the Grant Documents. NHS shall not provide Program Funds to any Eligible Homebuyer in an amount in excess of the applicable Maximum Program Assistance.

(d) Disbursement of Proceeds. The City will from time to time place all or a portion of the Program Funds authorized for an Eligible TIF Area (such amount being determined by HED) into an interest-bearing segregated or escrow account established by NHS for this purpose. Any income earned on amounts held in the account shall be used at the sole discretion of the City: (i) to make Grants hereunder, or (ii) in such other manner as the City determines. NHS shall disburse funds from this account to the City at the written request of the City if income is earned on amounts held in the account. NHS shall make any such disbursement within 30 days of its receipt of the City's request. NHS agrees that any disbursements from this account which are later determined to have been made in violation of this Agreement will be repaid to this account by NHS. Prior to disbursing any proceeds of a Grant, NHS shall determine the aggregate amount of Program Funds which have been provided or approved for an Eligible Property and shall not disburse any funds exceeding the Maximum Program Assistance. NHS shall also assure that no Program Funds shall be paid until such funds are needed to reimburse the Eligible Homebuyer for the prior payment of Eligible Costs, and that the proceeds of a Grant do not exceed available Maximum Program Assistance with respect to the Eligible Property. No payment of Substantial Rehabilitation Assistance shall be made

to the Eligible Homebuyer until NHS receives evidence of prior payment to the contractor for the Substantial Rehabilitation work. There shall be no commingling of funds among Grants by NHS and each Grant shall be accounted for separately in the records maintained by NHS.

(e) Servicing; Monitoring.

(1) NHS shall specify the employees directly responsible for the working on each Grant. NHS shall provide HED with notice of the person(s) responsible for these duties and the respective Grants.

(2) If an Eligible Homebuyer breaches any covenant or agreement under the applicable Grant Documents, NHS shall mail notice of such breach to the Eligible Homebuyer as provided in the Grant Documents (with a copy to HED) and shall take such further action consistent with the terms of this Agreement.

(3) NHS shall monitor the progress of the renovation work to confirm compliance with this Agreement and the Grant Documents. The Grant Documents shall provide that the Eligible Homebuyer must approve of payment of funds from NHS to a contractor for the rehabilitation work. NHS shall inspect the renovation work prior to providing payment. NHS shall make a final inspection of the renovation work at its completion to confirm compliance with this Agreement and the Grant Documents.

(f) Reporting. On the seventh day of each month of each year during the term hereof (or if such day is not a business day, then the next business day), NHS shall submit to the City a monthly report in a form approved by HED and containing the following information for each Grant closed during the previous month, and for each Eligible Homebuyer whose Application has been approved:

(i) the address and census tract of the Eligible Property; (ii) the name, address, income and race (if known) of each Eligible Homebuyer for such Eligible Property; (iii) the amount of the applicable Grant and the date of the Grant; (iv) the amount of Program Funds, if any, provided to such Eligible Homebuyer by the end of the preceding month, and the use of such funds; (v) the status of the renovation work on such Eligible Property; (vi) the names of any Eligible Homebuyers who have defaulted on any senior Grant; and (vii) any additional information that may be required by HED from time to time. In addition, NHS shall also include the following in such report regarding the Program as of the end of the preceding month: (i) information about each senior Grant made to an Eligible Homebuyer, or funds provided by the Eligible Homebuyer, including the amount of the senior Grant or other funds, the address of the subject property and evidence that senior financing and/or equity were provided; (ii) number of purchases and renovations in process; (iii) number of purchases and renovations completed; (iv) total number of applicants; (v) total number of Applications reviewed; (vi) total number of Applications approved; (vii) total amount of Grant funds disbursed hereunder; and (viii) and any additional information that HED may require from time to time.

(g) Marketing. NHS shall make information about the Program, including Applications, readily available to persons applying to become Eligible Homebuyers. In connection therewith, NHS shall prepare and distribute brochures and other written materials describing the Program. NHS shall also make appropriate personnel available to speak at seminars to promote and explain the Program and shall conduct other affirmative outreach efforts (including organizing or participating in seminars, conferences and public meetings) to disseminate information about the Program to the public. NHS shall cooperate (and shall bind its contractors to cooperate) with HED in any program which HED may undertake to promote and explain the Program. NHS shall dedicate sufficient

employee time and resources to respond promptly to inquiries from potential applicants.

4.5 Prior to each disbursement of proceeds in connection with a Eligible Property, NHS shall assure to its best efforts that the Substantial Rehabilitation work performed by the contractor on that Eligible Property complies with the building codes of the City.

4.6 NHS shall be responsible for all actions of any agents, employees, officers of NHS performing any duties or obligations of NHS hereunder.

4.7 The City authorizes NHS to act, subject to the limitations contained herein: (i) to manage and service the Grants; (ii) to enforce or to refrain from enforcing the Grant Documents for each Grant; (iii) to give consents or approvals in connection with the Grant Documents for each Grant; (iv) to take or refrain from taking any action and make any determination provided for herein or in the Grant Documents; and (v) to exercise all such powers as are incidental thereto.

4.8 Insurance.

(a) NHS must provide and maintain at it's own expense, except as may be otherwise provided herein, during the term of this Agreement and during the time period following expiration if NHS is required to return and perform any of the work or services under the agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Contract and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or services.

Subcontractors performing work for NHS must maintain limits of not less than \$1,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, NHS must provide Automobile Liability Insurance with limits of not less than \$1,000,000 occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Errors & Omissions/Professional Liability

When any Program Managers/Administrators or any other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claim-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

5) Valuable Papers

When any media, data, records, reports, application and other documents are produced or used under this Contract, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

6) Blanket Crime

NHS must provide Blanket Crime coverage covering all persons handling funds under this Agreement against loss by dishonesty, robbery, burglary, theft, destruction, or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of maximum monies/funds collected, received and in the possession of NHS at any given time.

7) Property

NHS is responsible for all loss or damage to City property at full replacement cost that results from this Agreement.

NHS is responsible for all loss or damage to personal property (including materials, equipment, tools and supplies) owned, rented or used by NHS.

b) NHS must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1006, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. NHS must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to execution of the Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements. The failure of the City to obtain certificates or other insurance evidence from NHS is not a waiver by the City of any requirements for NHS to obtain and maintain the specified coverages. NHS must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve NHS of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by NHS.

NHS hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by NHS in no way limit NHS's liabilities and responsibilities specified within this Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by NHS under this Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If NHS is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

NHS must require all subcontractors to provide the insurance required herein, or NHS may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of NHS unless otherwise specified in this Agreement.

If NHS or subcontractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Agreement to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, and the City shall promptly notify NHS of any such changes.

ARTICLE V – Events of Default; Remedies

5.1 **Events of Default Defined.** The following, subject to the notice and cure provisions of Section 5.2 hereof, shall each constitute an Event of Default hereunder:

(a) any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance of this Agreement, made by NHS to the City;

(b) failure by NHS to perform any of its duties or obligations under this Agreement;

(c) any change in ownership or control of NHS without the prior written approval of the City;

(d) the dissolution of NHS or the entry of a decree or order for relief by a court having jurisdiction with respect to NHS in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of NHS or for any substantial part of the property thereof or ordering the winding-up or

liquidation of the affairs of NHS and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days;

(e) the commencement by NHS of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by NHS to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of NHS or of any substantial part of the property of NHS or of any royalties, revenues, rents, issues or profits therefrom, or the making by NHS of any assignment for the benefit of creditors or the failure of NHS generally to pay its respective debts as such debts become due or the taking of action by NHS in furtherance of any of the foregoing;

(f) a final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of competent jurisdiction against NHS, and NHS shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, within 60 days from the date of entry thereof, or such longer period during which execution of such judgment shall have been stayed;

(g) default by NHS under any other agreement which NHS may currently have or may enter into with the City during the term of this Agreement; or

(h) a failure by NHS to fulfill its obligations under any Grant Documents.

5.2 Remedies. If any event referred to in Section 5.1 hereof cannot reasonably be cured within 30 days after receipt of notice given in accordance with the terms of this Agreement, or if NHS has failed, in the sole opinion of the City, to commence and continue diligent efforts to cure such event, the City may, at its sole option, declare an Event of Default hereunder. Whether to declare an Event of Default hereunder is within the sole discretion of the City and neither that decision nor the factual basis for it is subject to review or challenge under this Agreement. Written notification of, or that results in, an Event of Default, and any intention of the City to terminate this Agreement, shall be provided to NHS and such decision shall be final and effective upon receipt of such notice pursuant to Section 6.14 hereof and failure to cure within the stated applicable cure period. Upon the giving of such notice, the City may invoke any or all of the following remedies:

- (a) the right to terminate this Agreement as to any or all of the services yet to be performed effective at a time specified by the City;
- (b) the right of specific performance, an injunction or any other appropriate equitable remedy;
- (c) the right to money damages;
- (d) the right to withhold all or any part of the compensation of NHS hereunder; and
- (e) the right to deem NHS non-responsible in future contracts to be awarded by the City.

If the City considers it to be in its best interests, it may elect not to declare an Event of

Default hereunder or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits NHS to continue to provide the services despite one or more Events of Default, NHS shall in no way be relieved of any of its responsibilities, duties or obligations under this Agreement nor shall the City waive or relinquish any of its rights thereby.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall it be construed as a waiver of any Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI – General Provisions

6.1 Duration of the Agreement. This Agreement shall commence on the date of execution and delivery hereof and, unless earlier terminated pursuant to this Agreement, shall terminate when the last Grant payment is made by NHS hereunder.

6.2 Termination. The City may terminate this Agreement for convenience upon thirty (30) days written notice from the City. In such event, all rights and obligations running to and from each party shall be terminated and of no further force and effect; provided that NHS shall be obligated to maintain all records and monitoring obligations with respect to any Grant made in accordance with the terms of this Agreement for a period of five years after the date of the Grant.

6.3 Indemnification. NHS shall pay, indemnify and save the City and the City's officers, employees and agents harmless of, from and against, any and all losses incurred by any such party under this Agreement and any claim brought by reason of any such loss due to NHS's negligence, bad faith or willful misconduct. In the event that any claim is brought against the City or any of the City's officers, employees or agents, by reason of any such loss, NHS, upon notice from the City, covenants to resist and defend such claim on behalf of the City and the City's officers, employees and agents. The City shall have the right to employ separate counsel in any such claim and to participate in the defense thereof and the fees and expenses of such counsel incurred shall be at the expense of NHS, without regard to any authorization of such employment by NHS.

6.4 Non-Liability of Public Officials. No official, employee or agent of the City shall be charged personally by NHS or by any assignee or subcontractor of NHS with any liability or expenses of defense or shall be held personally liable to NHS, or any assignee or subcontractor of NHS under any terms or provisions of this Agreement because of the City's execution or attempted execution hereof or because of any breach hereof.

6.5 Compensation. NHS shall not charge any Eligible Homebuyer any fees or charges for a Grant hereunder. The only compensation received by NHS for performance under this Agreement shall be in accordance with this Section 6.5, as follows:

(a) NHS shall be entitled to compensation of \$1250.00 for every completed Application received; and

(b) NHS shall be entitled to compensation hereunder in an amount equal to 15 percent (15%) of the aggregate Program Funds paid by the City for each Eligible Property if NLS is the senior lender or an amount equal to 20 percent (20%) if NLS is not the senior lender, less the amount paid to NHS for receipt of the Application pursuant to subsection (a) of this Section.

(c) Such compensation due to NHS in accordance with subsections (a) and (b) of this Section shall be payable upon submission of a Voucher by NHS to HED, which Voucher shall contain a line item for NHS compensation hereof.

(d) The City shall not be responsible for the payment of any fees other than as set forth in this Section.

6.6 Documentation of Costs and Income; Records and Availability. All Eligible Costs paid from the proceeds of a Grant shall be supported by properly executed invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the Eligible Costs. All checks, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be maintained by NHS and shall be clearly identified and readily accessible to the City upon written request.

NHS shall maintain records evidencing compliance with the all requirements of the Program for each Eligible Property which is the subject of a Grant, including the provisions of Section 4.5. Such records shall be maintained for a period of five years after the date of the Grant. All Grant Documents shall be held by NHS for the benefit of the City during the term of this Agreement and for five years thereafter. Upon the written request of the City, NHS shall provide the City with access to and copies of such records.

At any time during normal business hours and as often as the City may deem necessary, NHS shall make available to the City (i) all of its records with respect to matters covered by this Agreement and (ii) access to its employees who have knowledge about the matters covered by this Agreement. NHS shall permit the City to audit, examine and make excerpts or transcripts from such records, and to make copies of records relating to personnel, conditions of employment and other data covered by this Agreement.

At any time during normal business hours and as often as the City may deem necessary, each Eligible Homebuyer shall make available to the City the Eligible Property and records relating to tenants of the unit, if any, in order for the City to verify compliance with this Agreement, including Section 4.5. NHS shall include this requirement in the Grant Documents.

6.7 Non-discrimination. NHS agrees it shall be an unlawful employment practice for NHS (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap or national origin; or (2) to limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any individual in any way of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color religion, sex, age, handicap or national origin.

NHS shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. and any rules

and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity clause, 56 Ill. Admin. Code 2520 Appendix G. Furthermore, NHS shall comply with and shall cause any contractor utilized under this Agreement to comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01, et seq.

6.8 City Requirements. NHS shall comply with the Chicago Human Rights Ordinance, ch. 2.160, Section 2-160-010 et seq. of the Chicago Municipal Code (1990); and the Chicago Fair Housing Regulations ch. 5-8, Section 5-8-010 et seq. of the Chicago Municipal Code (1990).

NHS agrees to furnish and to cause each of its subcontractor(s) to furnish such reports and information as requested by the Chicago Commission on Human Relations.

NHS agrees that all of the aforementioned provisions will be incorporated in all agreements entered into with any suppliers of materials, furnisher of services, subcontractors of any tier, and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any such materials, labor of services in connection with this Agreement.

6.9 Assignment. NHS may not assign, sell, transfer or delegate any of its duties or obligations under this Agreement without the prior written consent of the City. The City may assign, sell, transfer or otherwise dispose of any of its rights hereunder, in whole or in part, without the permission of NHS.

6.10 Savings Clause. In case any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

6.11 Entire Agreement. This Agreement and the incorporated Exhibits constitute the entire Agreement and may not be modified, altered or amended unless agreed to by both parties in writing. Any waiver or any provision of this Agreement must be executed in writing by the party granting the waiver and such waiver shall not affect any other rights of the party granting the waiver or act to affect any other duty or obligation of the party receiving the waiver.

6.12 Counterparts. This Agreement is composed of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

6.13 Headings. The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

6.14 Notices. Unless otherwise specified, any notice, demand or request hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier; or (d) registered or certified mail, return receipt requested.

IF TO CITY:

Department of Housing and Economic Development
City of Chicago
121 North LaSalle Street, Room 1006
Chicago, Illinois 60602
Attention: Commissioner

WITH COPIES TO: Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance & Economic Development Division

and

Department of Finance
City of Chicago
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Comptroller

IF TO NHS: Neighborhood Housing Services of Chicago, Inc.
1279 N. Milwaukee Ave. - 5th Floor
Chicago, Illinois 60622
Attention: Executive Director

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

6.15 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State without regard to its conflict of laws principles.

6.16 Approval. Wherever in this Agreement provision is made for the approval or consent of the City, or any matter is to be to the City's satisfaction, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction or the like shall be made, given or determined by the City in its sole discretion, subject to the review by the Corporation Counsel. Any such approval, consent or other determination shall be made by the Commissioner of the Department of Housing and Economic Development, or any designee thereof, in his or her role as administering this Agreement for the City.

6.17 Standard of Performance. NHS shall at all times act in the best interest of the City, consistent with the professional obligations assumed by it in entering into this Agreement. NHS shall perform, or cause to be performed, all services hereunder in accordance with the terms and conditions of this Agreement and to the reasonable satisfaction of the City. Any review, approval, acceptance or payment for any and all of the services by the City shall not relieve NHS of its responsibility for the professional accuracy and due diligence of its services. This provision in no way limits the City's rights against NHS either under this Agreement or otherwise, at law or in equity.

6.18 References to Statutes, etc. All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions or notices or circulars issued by any governmental body

shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, notices and circulars.

6.19 No Contractor Inducements. NHS shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics", including but not limited to Section 2-156-120 of such Chapter, pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of such Chapter 2-156 shall be voidable as to the City.

6.20 No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated hereby, shall be grounds for termination of this Agreement and the transactions contemplated hereby. NHS hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and NHS have executed this Agreement as of the date first set forth above.

CITY OF CHICAGO

By: _____
Commissioner of Housing and
Economic Development

NEIGHBORHOOD HOUSING SERVICES OF
CHICAGO, INC.

By: _____

Its: _____

Exhibit A

Eligible TIF Areas

1. Chicago/Central Park Redevelopment Project Area established pursuant to ordinances passed on February 27, 2002.

Total amount of authorized Program Funds: \$1,000,000

EXHIBIT B

Form of Counsel's Opinion
[to be placed on attorney's letterhead]
_____, 2012

Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance & Economic Development Division

RE: Vacant Building TIF Purchase and Rehabilitation Program Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as Corporate General Counsel for Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS"), in connection with the execution and delivery of the Agreement by and among NHS and the City of Chicago, acting by and through its Department of Housing and Economic Development (the "City"). NHS has requested that this opinion be furnished to the City.

In so acting as Corporate General Counsel for NHS I have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of NHS as furnished and certified by the Secretary of State of the State of Illinois;
- (iii) the By-Laws of NHS, as certified by the Secretary of NHS as of the date hereof; and
- (iv) the Certificate of Good Standing dated _____, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of NHS.

In my capacity as Corporate General Counsel, I have also examined such other documents or instruments as I have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

I have also assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than NHS which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by me.

I express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America; and (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state.

Based upon and subject to the assumptions and qualifications herein stated, it is my opinion that:

1. NHS is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois, NHS has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.
2. The Agreement has been duly executed and delivered on behalf of NHS, and constitutes a legal, valid and binding obligation of NHS, enforceable against NHS in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
3. To my knowledge, there is no action, suit or proceeding at law or in equity pending, nor threatened, against or affecting NHS, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of NHS to perform under the Agreement or any of its business or properties or financial or other conditions.
4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.
5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Articles of Incorporation of NHS, (ii) the By-Laws of NHS, (iii) any provision of any contract or other instrument to which NHS is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on NHS; or
 - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of either NHS pursuant to, any agreement or other instrument to which NHS is a party or by which NHS is bound.
6. No action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement.

This opinion is furnished for your benefit and may be relied upon by you and any such other party in connection with the Agreement, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned.

Very truly yours,

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT**

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Neighborhood Housing Services of Chicago, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. the Applicant

OR

2. a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____

OR

3. a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1279 North Milwaukee Avenue 5th Floor

Chicago, IL 60622

C. Telephone: (773) 329-4010 Fax: (773) 329-4120 Email: rcoffey@nhschicago.org

D. Name of contact person: Robin Coffey

E. Federal Employer Identification No. (if you have one): 23-7117878

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Approval of contract to administer TIF Purchase Rehab

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

- | | |
|---|---|
| <input type="checkbox"/> Person | <input type="checkbox"/> Limited liability company |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership |
| <input type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input checked="" type="checkbox"/> Not-for-profit corporation |
| <input type="checkbox"/> General partnership | (Is the not-for-profit corporation also a 501(c)(3))? |
| <input type="checkbox"/> Limited partnership | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust | <input type="checkbox"/> Other (please specify) |
-

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes No N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity.

NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
<u>Mr. Ed Jacob, Executive Director/Assistant Secretary</u>	
<u>Mr. Mark Leon, Assistant Treasurer</u>	
<u>Ms. Robin Coffey, Assistant Secretary</u>	
<u>See attached List</u>	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC.
CENTRAL BOARD OF DIRECTORS
2011-2012

Vicky Arroyo

President, Community Development
Corporation
MB Financial Bank
800 W. Madison
Chicago, IL 60607
Work: (773) 278-4040
varroyo@mbfinancial.com

Allison B. Clark

Program Officer
The John D. and Catherine T.
MacArthur Foundation
140 South Dearborn Street
Suite 1200
Chicago, IL 60603
Work: 312-917-0327
Fax: 312-917-0330
aclark@macfound.org

Craig Gilmore, CPCU – (V.P. Planning)

Director of Multicultural Markets
State Farm Insurance Companies
200 South Michigan Avenue
Suite 201
Chicago, IL 60604
Work: 312-386-9952
Fax: 312-386-9957
Craig.gilmore.blll@statefarm.com

Helen Hammond Redding

Senior Vice President,
IL State Director
Citi Community Development
500 W. Madison, 5th Floor
Citibank
Chicago, IL 60661
Work: (312) 627-5158
helen.h.redding@citi.com

Thomas Harazim (Treasurer)

Senior Vice President
Community Banking
Charter One Bank
71 S. Wacker
29th Floor – IH-2925
Chicago, Illinois 60606
Work: 312-777-3516
Fax: 312-777-3497
Cell: 630-710-1851
Thomas.w.harazim@charteronebank.com

Dave Kaptain

Mayor
City of Elgin
150 Dexter Court
Elgin, Illinois 60120
Home: 847-741-7375
Fax: 847-931-6630
ds-kaptain@wowway.com

Paul J. Lopez

5307 S. Hyde Park Blvd. #404
Chicago, IL 60615
lopez.paul.j@gmail.com
Cell: 773-908-1972

Bruce Martin

Sr. Vice President
Community Development Group
JPMorgan Chase Bank
10 S. Dearborn
IL1-0953
Chicago, IL 60603
Work: 312-325-50-51
Fax: 312-325-5080
Bruce.f.martin@chase.com

Steven McCullough
Chief Operating Officer
Safer Foundation
571 W. Jackson
Chicago, IL 60661
Work: 312-431-4767
Fax: 312-431-4768
Steven.mccullough@saferfoundation.org

Judith C. Rice
Senior Vice President
Community Affairs
BMO Harris Bank
111 West Monroe Street, 7C
Chicago, IL 60603
Work: 312-461-2743
Fax: 312-293-5702
Judith.rice@harrisbank.com

Allen A. Rodriguez
(V.P. Resource Development)
1250 S. Indiana Avenue
Unit 111
Chicago, IL 60605
Cell: 312-671-2869
Rodriguezallen7@aol.com

Tony Smith
Community Development Banking
Market Manager
The PNC Financial Services Group
One North Franklin
Suite 3600
Chicago, IL 60606
Work: 312-214-2146
Cell: 312-213-6396
Thurman.smith@pnc.com

Betty Jo Swanson
7923 S. Carpenter
Chicago, IL 60620
Home: 773-783-1399
Fax: 773-783-2273
Bettyjoswanson43@yahoo.com

Beth Witczak – (President)
Managing Director
CRA & Fair Lending Officer
The Private Bank
120 S. LaSalle Street
Chicago, Illinois 60603
Work: 312-564-1444
Fax: 773-564-6897
bwitczak@theprivatebank.com

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	None	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
--	------------------	--	--

None

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes No No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. **NOTE:** If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

None

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
	None	

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

 x 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

None

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

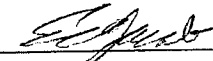
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

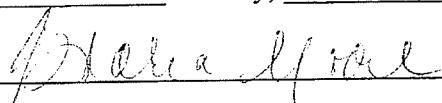
Neighborhood Housing Services of Chicago, Inc.
(Print or type name of Disclosing Party)

By: 
(Sign here)

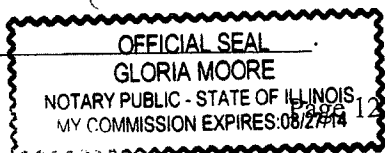
Ed Jacob
(Print or type name of person signing)

Executive Director
(Print or type title of person signing)

Signed and sworn to before me on (date) 12-29-2011,
at COOK County, ILLINOIS (state).

 Notary Public.

Commission expires:



**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A**

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

None

APPROVED
Robert Emmet SBA
3/27/13 Mayor

APPROVED
Stephen R. Ketter
CORPORATION COUNSEL