



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

File #: O2014-4120, **Version:** 1

CHICAGO May 28. 2014

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An ordinance creating the Division/Homan Redevelopment Project Area Neighborhood Purchase and Rehabilitation Program.

02014-4120

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 voteo
of members of the committee with **dissenting vote(s):**

Respectfully submitted

(signed ^k^V-^-

Chairman

Document No.

REPORT OF THE COMMITTEE ON FINANCE TO THE CITY COUNCIL CITY OF CHICAGO

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL

April 30, 2014

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

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances amending the Multi-family Vacant Building TIF Purchase - Rehabilitation Program.

Your favorable consideration of these ordinances will be appreciated.

Mayor

Very truly yours,

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, to induce redevelopment pursuant to the Act in the Division/Homan Redevelopment Project Area (the "Division/Homan Area") of the City, the City Council adopted the following ordinances on June 27, 2001: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the

Division/Homan Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Division/Homan 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 Division/Homan Redevelopment Project Area"; 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 in the development of affordable rental housing by establishing programs whereby the City assists in the purchase and rehabilitation of vacant buildings to be developed as affordable rental 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 Planning and Development ("DPD") 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 DPD, now desires, in accordance with the Establishment Ordinance, to implement the Program in the Division/Homan Area and to enter into an agreement substantially in the form attached hereto as Exhibit A, and made a part hereof, with Community Investment Corporation, an Illinois not-for-profit corporation ("CIC"), to perform certain administrative services for the Program in the Division/Homan Area (the "CIC Program Agreement"); and

WHEREAS, the City Council further desires to designate the Division/Homan Area as an eligible TIF area for the Program and to authorize an amount not to exceed \$1,000,000 to administer the Program in the Division/Homan Area; and

WHEREAS, by an ordinance adopted on March 5, 2014, and published in the Journal of Proceedings of the City Council for said date at pages 75271 to 75296, inclusive (the "CM Program Ordinance"), the City Council previously authorized the Commissioner of DPD to execute and deliver an agreement with Community Initiatives, Inc. ("CM"), whose sole member is CIC, to perform certain administrative services for the Program in the Division/Homan Area (the "CM Program Agreement"); and

WHEREAS, following adoption of the CM Program Ordinance but prior to the execution of the CM Program Agreement, the City determined that the appropriate entity to administer the Program in

1

EXHIBIT A

Form of CIC Program Agreement for the Division/Homan Area

[See attached]

3

VACANT BUILDING TIF PURCHASE AND REHABILITATION PROGRAM AGREEMENT FOR MULTI-FAMILY HOMES IN THE DIVISION/HOMAN REDEVELOPMENT PROJECT AREA BETWEEN THE CITY OF CHICAGO AND COMMUNITY INVESTMENT CORPORATION

This Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Multi-Family Homes (the "Agreement") is made on May , 2014 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 Planning and Development ("DPD" or "Department"), and Community Investment Corporation, an Illinois not-for-profit corporation ("CIC").

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 DPD 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 in the development of affordable rental housing by establishing programs whereby the City assists in the purchase and rehabilitation of vacant buildings to be developed as affordable rental housing; and

WHEREAS, by an ordinance adopted by the City Council of the City on _____, 2014, the City has approved the execution and delivery of this Agreement to implement a portion of the Program in the Division/Homan Redevelopment Project Area, established pursuant to ordinances passed on June 27, 2001; and

WHEREAS, DPD desires to implement a portion of the Program by using the services of CIC, and CIC 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

"Affordable Rent" shall mean the rent amounts determined by the City for rental housing pursuant to 24 C.F.R. 570.208(a)(3), as may be adjusted for unit size, based on an income level not to exceed 50% of PMSA Median Income.

"Affordable Rental Housing" means a housing unit that is rented at a rental price that is affordable to Households earning up to 50% of the PMSA Median Income.

"Base Purchase Price" means the purchase price of an Eligible Multi-Family Residential Building, excluding any taxes, insurance, closing costs, or other such costs.

"CIC" means Community Investment Corporation, an Illinois not-for-profit corporation, and its successors and assigns.

"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 Multi-Family Residential Development, including, but not limited to, transfer taxes, title company charges and recording fees.

"Commissioner" means the commissioner of DPD.

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

"Department" or "DPD" means the Department of Planning and Development.

"Developer" means any person who develops an Eligible Multi-Family Residential Development, but does not include a lender or any governmental entity, and its successors or assigns.

"Development" or "develop" means the substantial rehabilitation of an Eligible Multi-Family Residential Development.

"Eligibility Criteria" means, at the time of the first rental by that Household, a Household earning up to 50% of the PMSA Median Income.

"Eligible Multi-Family Residential Development" means a Multi-Family Residential Development that is:

- 1) vacant or foreclosed (meaning foreclosure proceedings have been completed under State law);
- 2) located in the Eligible TIF Area; and
- 3) in need of substantial rehabilitation.

"Eligible TIF Area" means the Division/Homan Redevelopment Project Area.

"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 CIC to a Developer from Program Funds.

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

2

"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 CIC.

"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 the Chicago Municipal Code.

"Maximum Program Assistance" means the total amount of Purchase Price Assistance and Substantial Rehabilitation Assistance granted to a Developer for the purchase and Substantial Rehabilitation of an Eligible Multi-Family Residential Development, but which shall be limited to no greater than 50% of the sum of the

Base Purchase Price plus the cost of the Substantial Rehabilitation of the Eligible Multi-Family Residential Development.

"Multi-Family Residential Development" means a building or group of buildings that contains 6 or more Housing Units that are located within a two block square area to one another and that are designed, arranged, used or intended to be used for residential occupancy.

"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.

"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, as amended from time to time, 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 a Developer to be used for the base purchase price and closing costs associated with the purchase of an Eligible Multi-Family Residential Development.

"Recapture" means the recapture by CIC or the City of Program Funds from Developers under the Grant Documents as described in Section 4.8.

"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 Sections 4.3(h) and 4.8(e) of this Agreement.

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

3

"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 a Developer under this Program that shall be used for the Substantial Rehabilitation of an Eligible Multi-Family Residential Building.

"Supportive Housing" means a residential development that combines housing with social services, including, but not limited to: job training, life skills training, alcohol and drug abuse counseling, educational programs, and case management.

"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 Multi-Family Residential Development, 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.

ARTICLE III - REPRESENTATIONS, WARRANTIES AND COVENANTS

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

- a) CIC is incorporated in the State as a not-for-profit corporation; and is in good standing in the State;
- b) CIC is financially solvent and able to pay its debts as they mature;
- c) CIC, its employees, agents and officials are competent and qualified to perform the services required under this Agreement;
- d) CIC 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; CIC has obtained and received all necessary approvals from its Board of Directors and any other required approvals which are necessary for CIC 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 CIC 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) CIC is not in default on any contract or Grant awarded to CIC by the City at the time of the execution of this Agreement, and CIC has not been, within five years preceding the date hereof, in default on any contract or Grant awarded to CIC by the City;

4

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

(h) this Agreement is feasible of performance by CIC 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 CIC to enter into this Agreement or has been relied upon by CIC 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) CIC 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 CIC might request inclusion in this Agreement of any statement, representation, promise or provision which is desired or on which CIC 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, CIC expressly hereby relinquishes the benefit of any such omitted statement, representation, promise or provision and CIC 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 CIC, threatened, against or affecting CIC which if adversely determined could materially and adversely affect the ability of CIC to perform hereunder or which might result in any material, adverse change to the financial condition of CIC or may materially affect the property or assets of CIC; and

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

3.2 Covenants. In connection with the execution and delivery of this Agreement, CIC covenants to the City that:

(a) except for its own employees (and except for appraisers and construction inspectors serving as independent contractors), CIC will not use any individual, organization, partnership or corporation to carry out any of the duties or obligations of CIC hereunder, unless (1) CIC 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;

5

b) all warranties and representations of CIC 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) CIC 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 CIC;

d) CIC 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 CIC or shall participate in any decision relating to the business of CIC 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 CIC 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) CIC shall immediately notify the City of any and all events or actions which may materially adversely affect the ability of CIC 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) CIC shall not enter into any other agreement or transaction which would conflict with the performance of the duties of CIC hereunder or under any of the Grant Documents;

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

(j) CIC 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

1 CIC shall execute and deliver to DPD such documents as may be required by the Corporation Counsel to evidence CIC'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 A attached hereto and incorporated herein.

2 (a) In the Eligible TIF Area, CIC shall use Program Funds authorized by the City for the Eligible TIF Area to provide Purchase Price Assistance and Substantial Rehabilitation Assistance to

6

a Developer for the purchase and Substantial Rehabilitation of an Eligible Multi-Family Residential Development, consistent with the provisions of this Agreement.

b) CIC agrees that the total amount of funds available for the Program in the Eligible TIF Area shall be up to a maximum of \$1,000,000 and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. CIC 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 CIC pursuant to Section 6.5, equals 80% of the Program Funds authorized for the 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 CIC pursuant to Section 6.5, equals 100% of the Program Funds authorized for the Eligible TIF Area. Program Funds are deemed committed for purposes of this Section when CIC 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 Developer. No Grants shall be made or committed to be made by CIC hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to CIC pursuant to Section 6.5, exceeding the amounts authorized for the Eligible TIF Area. No Grants shall be made or committed to be made by CIC 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) The amount of Program Funds authorized for the Eligible TIF Area may be changed from time to time upon written notice by DPD to CIC, provided that the aggregate amount shall not exceed \$1,000,000 (or such other amount as the City may determine from time to time).

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

a) CIC will work with DPD to provide information to potential Developers 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) CIC shall inform potential Developers 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.

c) Before potential Developers can be declared eligible to receive a Reservation of Program Funds, the potential Developer must complete an Application. CIC shall accept and process Applications in the following manner (or as otherwise agreed to by DPD and CIC):

i) CIC shall make Application forms available at its main office. CIC shall make employees available in person or over the phone to answer inquiries;

ii) Applications shall also be available by calling CIC, which will mail applications to potential applicants;

iii) Applications must include a sworn statement of contractor and a narrative of the construction work. Attached to every application shall be a copy of an inspection

7

report for the proposed property prepared by a licensed and bonded contractor, and any other information deemed necessary by CIC or DPD; and

iv) All Applications shall be returned directly to CIC; the City will not accept Applications.

v) When Applications are received by CIC, they will be time-stamped and reviewed in the order received. Applications must be complete to be reviewed. CIC shall review all Applications for eligibility, completeness and compliance with the Agreement.

vi) For each potential Developer, CIC shall obtain title information regarding the Developer and the Multi-Family Residential Development, respectively, and shall verify that rent being charged in the building is, or will be, an Affordable Rent. CIC shall forward the name, address and Social Security number of every applicant to DPD for a scofflaw check. CIC shall perform an initial site visit to verify that the property will qualify. CIC shall approve a scope of work and shall order an appraisal for the property. CIC shall not approve any Application unless a commitment for matching funds required hereunder has been obtained by the Developer.

vii) CIC will notify applicants if their Application has been approved or rejected. Within 10 days of approving or rejecting an Application, CIC shall notify the applicant in writing of such approval or rejection and shall provide the City with a copy of each such notice. All notices of

rejection shall include the reasons for such rejection.

viii) While Applications will be reviewed in the order of receipt, funds will be provided to Developers in the order in which the Developers meet all the requirements for funding a Grant hereunder.

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

(d) Upon determination by CIC that a Developer is eligible to participate in the Program, CIC may provide the Developer Purchase Price Assistance and Substantial Rehabilitation Assistance, consistent with the provisions of this Agreement, in the applicable amount as set forth in subsection 4.3(e). As a condition of receiving such assistance, the Developer shall be required to establish at least 50% of the Housing Units in the Multi-Family Residential Development as Affordable Rental Housing. If the Development meets one or more of the following criteria, then CIC may provide, if approved by DPD, an amount of assistance greater than the Maximum Program Assistance:

- i) Will provide Housing Units for Households earning up to 30 percent of the PMSA Median Income;
- ii) Will provide Supportive Housing;

8

Is located within 500 feet of a school, park, library, or church;

iv) Has been designated as a National or City of Chicago Historic Landmark, is listed on the National Register of Historic Places, or is orange- or red-rated in the Chicago Historic Resources Survey; or

v) Is located on a block where fifty percent or more of the properties are vacant or foreclosed.

(e) The amount of the Purchase Price Assistance and Substantial Rehabilitation

Assistance granted to any Developer for an Eligible Multi-Family Residential Development shall be limited to no greater than 50% of the sum of the Base Purchase Price plus the cost to Substantially Rehabilitate the Eligible Multi-Family Residential Development. Grant funds awarded under this Program shall be provided on a pro-rata basis with the amount of funds required from the Developer to complete the Development.

f) The Affordable Rental Housing required by this subsection shall continue to be affordable for a period of 15 years after the time of the issuance of the certificate of occupancy (or after the first day of the initial lease, if no such certificate is issued); provided that if a longer term is required by any other applicable law, the longer term shall apply.

g) The rental of such Affordable Rental Housing created pursuant to this Agreement shall be made only to Households meeting the eligibility criteria.

h) Prior to the issuance of a building permit to a Developer for any Eligible Multi-Family Residential Development, CIC shall cause a lien, regulatory agreement or similar instrument ("Recapture Mortgage") to be recorded to secure the requirements of this Agreement and the Recapture of the following amounts:

(i) Upon the rental of any Housing Unit required to be Affordable Rental Housing under this Agreement at a rental price that renders the Housing Unit not Affordable Rental Housing, or to a Household that does not meet the eligibility criteria, the Developer shall pay a fee of \$500.00 per unit per day for each day that the Developer is in noncompliance; provided that prior to the assessment of the penalty, the Developer shall have 90 days, after written notice from DPD, to cure the noncompliance. If after 90 days the Developer fails to cure the noncompliance, the fees shall be assessed from the first day of noncompliance. The 90-day time period to cure the noncompliance may be extended by DPD, for good cause.

4.4 CIC shall provide the following services:

(a) Technical/Rehabilitation Services. CIC shall assist the Developer in the preparation of detailed plans and specifications for the renovation work. CIC must approve the contractor selected, which must be licensed and properly insured; in its approval, CIC shall consider the financial strength and the technical capability of the contractor. CIC shall review the contract(s) between the Developer and the contractor(s) for the renovation work. While the Developer is not required to use Minority Business Enterprises or Women Business Enterprises for the renovation work, the City shall supply to CIC, and CIC shall make available to each Developer, a current list of contractors and subcontractors which are certified by the City as Minority Business Enterprises or Women Business Enterprises. While the requirements of Section 2-92-330 of the Municipal Code

9

of the City of Chicago (City Resident Employment Requirement) will not apply to the renovation work done pursuant to the Program, CIC shall use its best efforts to recruit and encourage the use of qualified contractors based in Chicago (particularly in the Eligible TIF Area) for the renovation work being funded pursuant to this Agreement.

b) Requirements for Grants for Eligible Multi-Family Residential Developments. After approving an Application, CIC shall promptly prepare and execute Grant Documents for each Grant. The Grant Documents shall require that:

i) Program Funds finance only TIF-eligible costs; and

ii) the Grant Funds shall not be provided unless loan proceeds or other funds from the Developer (which loans may, but shall not be required to, be made by CIC) are available to fully finance the purchase and/or rehabilitation of the Multi-Family Residential Development.

c) Closing. CIC shall promptly close each Grant. Prior to disbursement of any Program Funds by CIC, CIC shall require each Developer to enter into the Grant Documents. The Grant Documents shall require that the renovation of the Multi-Family Residential Development commences within six months of the date on which a Grant closes. CIC shall provide in all Grant Documents that the City is a third-party beneficiary of the Grant Documents. CIC shall not close each Grant, or provide any Program Funds unless the matching funds described in subsection (b) above are available to the Developer. CIC shall not provide Program Funds to any Developer in an amount in excess of the applicable Maximum Program Assistance; provided, that the maximum amount so provided may be increased with the approval of DPD in accordance with Section 4.3(d).

d) Disbursement of Grant Funds. The City will place the Grant funds for each Eligible TIF Area into an interest-bearing segregated or escrow account established by CIC 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. CIC 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. CIC shall make any such disbursement within 30 days of its receipt of the City's request. CIC 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 CIC. Pursuant to the Grant Documents, CIC will draw funds from the segregated account as needed to pay for approved TIF-eligible costs to Developers. Prior to disbursing any funds from this account, CIC shall obtain evidence that the costs being paid for are TIF-eligible costs. Each Grant shall be accounted for separately in the records maintained by CIC.

e) Monitoring.

1) CIC shall specify an employee directly responsible for working on each Grant. CIC shall provide DPD with notice of the person(s) responsible for these duties and the respective Grants.

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

10

(3) CIC shall monitor the progress of the renovation work to confirm compliance with this Agreement and the Grant Documents. CIC 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 a quarterly basis during the term hereof, CIC shall submit to the City a report in a form approved by DPD and containing the following information for each Grant closed during the previous quarter, and for each Developer whose Application has been approved: (i) the address of the Multi-Family Residential Development; (ii) the name and address of each Developer for such Multi-Family Residential Development; (iii) the amount of the applicable Grant and the date of the Grant; (iv) the status of the renovation work on such Multi-Family Residential Development; and (v) evidence that the maximum rental rates charged in any Multi-Family Residential Development do not exceed the maximum amount permitted under this Agreement. In addition, CIC shall also include the following in such report regarding the Program as of the end of the preceding quarter: (i) total number of matching loans approved by CIC; (ii) number of renovations in process; (iii) number of renovations completed; (iv) total amount of Grant funds disbursed hereunder, with a description to include how much was disbursed for each Multi-Family Residential Development; (v) the total amount of interest earned on Grant funds held by CIC; (vi) evidence that no disbursement would result in the funds disbursed by CIC hereunder for any Multi-Family Residential

Development exceeding the applicable Maximum Program Assistance; and (vii) the total amount of fees paid to CIC pursuant to Section 6.5. At the end of every quarter, CIC shall deliver a report to the City regarding the application process and listing (A) the total number of Applications, and (B) the total dollar amount of Grants requested, along with any other information requested by the City.

g) Marketing. CIC shall make information about the Program, including Applications, readily available to persons applying to become Developers. In connection therewith, CIC shall prepare and distribute brochures and other written materials describing the Program. CIC 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. CIC shall cooperate (and shall bind its contractors to cooperate) with DPD in any event which DPD may undertake to promote and explain the Program. CIC shall dedicate sufficient employee time and resources to respond promptly to inquiries from potential applicants.

5 The Grant Documents shall require that each rental unit in a Eligible Multi-Family Residential Development bear rents not greater than the Affordable Rent for such unit at any time during the Affordability Period.

6 The Grant Documents shall require that each Developer who renovates housing assisted with Program Funds maintain the premises in compliance with all State and City code requirements.

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

8 (a) The Program Funds to be provided to CIC hereunder by the City are a conditional grant, and the use of such funds by CIC and Developers is subject to the compliance by CIC and Developers with certain provisions of this Agreement. The Grant Documents shall provide that

11

Program Funds provided for a Eligible Multi-Family Residential Development shall be subject to Recapture if, at any time during the Affordability Period, the requirements of Section 4.5 are not met (subject to any applicable cure periods in the Grant Documents) with respect to such unit. The amount subject to Recapture shall be calculated as follows, based on when the requirements of Section 4.5 are not met (subject to cure periods as indicated above): if the event of noncompliance takes place within the first year after the applicable Grant has been fully disbursed, then the full amount of the Grant will be subject to Recapture; on the first anniversary of the date that the applicable Grant was fully disbursed, the amount so subject to Recapture will be reduced by 1/15 of the amount of the applicable Grant; and the amount subject to Recapture will be reduced by a like amount each succeeding anniversary, so that on the fifteenth anniversary the amount subject to Recapture will be zero.

b) Upon the occurrence of any event set forth in paragraph (a) of this Section, CIC shall immediately notify DPD of the occurrence of such event and shall take any or all necessary action to Recapture the aggregate amount of Program Funds provided to each Developer with respect to the Eligible Multi-Family Residential Development, including any late payment penalties due under any of the Grant Documents.

c) Any monies Recaptured by CIC shall be returned to the City. Funds so recaptured with respect to any Eligible Multi-Family Residential Development may be used only with respect to costs in the tax increment financing redevelopment area in which the Eligible Multi-Family Residential Development is located.

d) CIC shall include the provisions of this Section in the Grant Documents.

e) The Recapture right of the City will be secured by a lien, recorded at the time the Grant Documents are signed against the real property on which each Eligible Multi-Family Residential Development is located ("Recapture Mortgage"). The lien shall be in a form acceptable to the City and will be recorded by CIC at no expense to the City. The lien will reflect that the amount subject to Recapture will decline over time.

9 The City authorizes CIC to act, subject to the limitations contained herein and in accordance with the provisions of this Agreement: (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.

10 In its marketing efforts regarding the Program, the City shall notify potential Program applicants that there will be a matching funds requirement (as set forth in Section 4.4(b) hereof).

11 Insurance.

(a) CIC must provide and maintain at its own expense, except as may be otherwise provided herein, during the term of this Agreement and during the time period following expiration if CIC 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.

12

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 CIC 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, CIC 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

CIC 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 CIC at any given time.

13

7) Property

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

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

b) CIC must furnish the City of Chicago, Department of Planning and 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. CIC 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 CIC is not a waiver by the City of any requirements for CIC to obtain and maintain the specified coverages. CIC must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve CIC 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 CIC.

CIC 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 CIC in no way limit CIC'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 CIC 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 CIC is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

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

14

If CIC 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 CIC 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 CIC to the City;

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

c) any change in ownership or control of CIC without prior written notification to the City;

d) the dissolution of CIC or the entry of a decree or order for relief by a court having jurisdiction with respect to CIC 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 CIC or for any substantial part of the property thereof or ordering the winding-up or liquidation of the affairs of CIC and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days;

e) the commencement by CIC 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 CIC to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of CIC or of any substantial part of the property of CIC or of any royalties, revenues, rents, issues or profits therefrom, or the making by CIC of any assignment for the benefit of creditors or the failure of CIC generally to pay its respective debts as such debts become due or the taking of action by CIC 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 CIC, and CIC 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 CIC under any other agreement which CIC may currently have or may enter into with the City during the term of this Agreement; or

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

15

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 CIC 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 CIC 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 CIC hereunder; and
- e) the right to deem CIC 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 CIC to continue to provide the services despite one or more Events of Default, CIC 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

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 CIC hereunder.

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 CIC shall be obligated to maintain all records and monitoring obligations with respect to any Grant made in accordance with

16

the terms of this Agreement for a period of five years after the date of the Grant and provided that the City pays for all grant commitments properly made up to the point of termination pursuant to this Agreement.

3 Indemnification. CIC 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 CIC'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, CIC, 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.

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

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

a) CIC shall be entitled to compensation hereunder in an amount equal to 3 percent (3%) of the aggregate Program Funds paid by the City for each Eligible Property if CIC is the senior lender or an amount equal to 5 percent (5%) if CIC is not the senior lender.

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

6 Documentation of Costs and Income: Records and Availability. All TIF-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 TIF-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 CIC and shall be clearly identified and readily accessible to the City upon written request.

CIC 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 CIC for

the benefit of the City during the term of this Agreement and for five years thereafter. Upon the written request of the City, CIC 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, CIC 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. CIC 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.

17

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. CIC shall include this requirement in the Grant Documents.

7 Non-discrimination. CIC agrees it shall be an unlawful employment practice for CIC (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.

CIC 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, CIC 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.

8 City Requirements. CIC 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).

CIC 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.

9 Assignment. CIC 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 CIC.

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.

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.

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.

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

18

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 Planning and 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 CIC: Community Investment Corporation
222 South Riverside Plaza, Suite 2200 Chicago,
Illinois 60606 Attention: President

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.

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.

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 Planning and Development, or any designee thereof, in his or her role as administering this Agreement for the City.

19

17 Standard of Performance. CIC 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. CIC 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 CIC of its responsibility for the professional accuracy and due diligence of its services. This provision in no way limits the City's rights against CIC either under this Agreement or otherwise, at law or in equity.

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.

19 No Contractor Inducements. CIC 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.

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. CIC 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 CIC have executed this Agreement as of the date first set forth above.

CITY OF CHICAGO

By:
Commissioner of Planning and Development

COMMUNITY INVESTMENT CORPORATION

By:
Its: President

Form of Counsel's Opinion
[to be placed on attorney's letterhead]
2014

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 Community Investment Corporation, an Illinois not-for-profit corporation ("CIC"), in connection with the execution and delivery of the Agreement by and among CIC and the City of Chicago, acting by and through its Department of Planning and Development (the "City"). CIC has requested that this opinion be furnished to the City.

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

- i) an executed original of the Agreement;
- ii) the Articles of Incorporation, including all amendments thereto, of CIC as furnished and certified by the Secretary of State of the State of Illinois;
- iii) the By-Laws of CIC, as certified by the Secretary of CIC 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 CIC.

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 CIC 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.

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

1. CIC is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois, CIC 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 CIC, and constitutes a legal, valid and binding obligation of CIC, enforceable against CIC 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 CIC, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of CIC 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 CIC, (ii) the By-Laws of CIC, (iii) any provision of any contract or other instrument to which CIC is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on CIC; 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 CIC pursuant to, any agreement or other instrument to which CIC is a party or by which CIC 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,

the Division/Homan Area is CIC rather than CH; and

WHEREAS, the City's obligation to provide funds for the Program in the Division/Homan Area will be met through (i) incremental taxes deposited in the Special Tax Allocation Funds of the Division/Homan 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 CM Program Ordinance is hereby repealed in its entirety.

SECTION 3. The Program in the Division/Homan Area is hereby created, which program shall, among other things, assist developers in the purchase and rehabilitation of new affordable multi-family housing in the Division/Homan Area. An amount not to exceed \$1,000,000 is hereby appropriated from the Special Tax Allocation Fund of the Division/Homan Area to fund the Program in the Division/Homan Area.

SECTION 4. CIC is hereby authorized to administer the Program in the Division/Homan Area, subject to the supervision of DPD.

SECTION 5. The Commissioner of DPD 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 CIC Program Agreement between CIC 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 CIC Program Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the CIC 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.