

CONTRACT NO. 11040

SECURITY SERVICES AGREEMENT BETWEEN

SKYTECH ENTERPRISES, LTD.

AND

THE CHICAGO HOUSING AUTHORITY

TABLE OF CONTENTS

ARTICLE 1. INCORPORATION OF RECITALS

Section 1.01 Incorporation of Recitals

ARTICLE 2. CONTRACTOR'S DUTIES AND RESPONSIBILITIES

Section 2.01 Services to be Provided

Section 2.02 Performance Standards

Section 2.03 Key Personnel

Section 2.04 Non-Discrimination

Section 2.05 MBE/WBE/DBE Participation and Section 3 Requirements

Section 2.06 Ownership of Documents; Records and Reports

Section 2.07 Audit Requirement

Section 2.08 Confidentiality

Section 2.09 Subcontracts and Assignments

Section 2.10 Patents and Copyrights

Section 2.11 Religious Activities

Section 2.12 Drug-Free Workplace

Section 2.13 Force Majeure

ARTICLE 3. TERM OF AGREEMENT

Section 3.01 Term of Agreement

Section 3.02 Timeliness of Performance

ARTICLE 4. COMPENSATION AND PAYMENT

Section 4.01 Compensation

Section 4.02 Payment; Retention

Section 4.03 Non-Appropriation

ARTICLE 5. DISPUTES

Section 5.01 Disputes

ARTICLE 6. RISK MANAGEMENT

Section 6.01 Insurance

Section 6.02 Indemnification

ARTICLE 7. EVENTS OF DEFAULT, REMEDIES, ETC.

Section 7.01 Events of Default Defined

Section 7.02 Remedies

Section 7.03 Termination for Convenience

Section 7.04 Suspension

Section 7.05 No Damages for Delay

ARTICLE 8. WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS

Section 8.01 Warranties, Representations and Covenants

Section 8.02 Joint and Several Liability

- Section 8.03 Business Documents and Contractor's Affidavit
- Section 8.04 Conflict of Interest
- Section 8.05 Non-Liability of Public Officials
- Section 8.06 Independent Contractor

ARTICLE 9 GENERAL CONDITIONS

- Section 9.01 Entire Agreement
- Section 9.02 Counterparts
- Section 9.03 Amendments
- Section 9.04 Compliance with All Laws
- Section 9.05 Severability
- Section 9.06 Governing Law and Jurisdiction
- Section 9.07 Interpretation
- Section 9.08 Assigns
- Section 9.09 Cooperation
- Section 9.10 Waiver
- Section 9.11 Survival

ARTICLE 10 COMMUNICATION AND NOTICES

- Section 10.01 Communication Between the Parties
- Section 10.02 Notices

ARTICLE 11 AUTHORITY

- Section 11.01 CHA's Authority
- Section 11.02 Contractor's Authority

EXHIBITS

- Exhibit I - Request for Proposals No. 11-00704 and addenda thereto
- Exhibit II – Contractor's Proposal
- Exhibit III –Scope of Work
- Exhibit IV – Best and Final Fee Proposal
- Exhibit V – Invoice Procedures
- Exhibit VI – Infraction List

SECURITY SERVICES AGREEMENT

This **SECURITY SERVICES AGREEMENT** (this “**Agreement**”) is made and entered into as of September 1, 2011 (the “Effective Date”) by and between the **CHICAGO HOUSING AUTHORITY** (the “**CHA**”), a municipal corporation organized under the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., with offices at 60 East Van Buren Street, Chicago, Illinois 60605, and **SkyTech Enterprises, Ltd.** (the “**Contractor**”), an Illinois corporation with its principal office located at 2600 South Michigan Ave., Suite 104, Chicago Illinois 60616.

RECITALS

WHEREAS, the CHA is engaged in the development and operation of safe, decent and sanitary housing throughout the City of Chicago for low-income families in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq., as amended; regulations promulgated by the United States Department of Housing and Urban Development (“**HUD**”), and the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., as amended, and other applicable laws, regulations and ordinances;

WHEREAS, the CHA desires the services of a licensed, qualified security firm, which meets all relevant federal, state, and local government insurance, licensing, certification, training, bonding, and other similar requirements, to provide security services for certain CHA office and administrative facilities and satellite locations (the “**CHA Administrative Locations**”), at the CHA Administrative Locations;

WHEREAS, the CHA issued Request for Proposals No. 11-00704 (such Request for Proposals, as amended or supplemented by the CHA in writing, the “**RFP**”), which RFP is attached hereto as Exhibit I and is incorporated into and made a part of this Agreement by this reference;

WHEREAS, the Contractor submitted a proposal to the CHA in response to the RFP originally dated April 18, 2011, and thereafter supplemented the proposal with its Best and Final Offer (as supplemented, the “Proposal”), which Proposal is attached hereto as Exhibit II. The following Sections, provisions, attachments, submittals and/or related documents (as applicable) are hereby incorporated into and made a part of this Agreement by this reference:

- (i) Contractor’s Affidavit;
- (ii) MBE/WBE/DBE Utilization Plan;
- (iii) Section 3 Utilization Plan;
- (iv) Compliance Utilization Plan Approval;
- (v) HUD Form 5369-C (8/93) – Certifications and Representations of Offerors (Non-Construction);
- (vi) Equal Opportunity Compliance Certificate; and
- (vii) Subcontractor Information Submittal; and

WHEREAS, the CHA desires to enter into this Agreement to secure and obtain the professional services of the Contractor for the purposes and ends described above, and the Contractor states that it is ready, willing and able to provide the Services (defined below) as more specifically provided herein.

NOW THEREFORE, in consideration of the foregoing recitals and of the mutual promises and the terms and conditions set forth herein, the CHA and the Contractor agree as follows:

ARTICLE 1. INCORPORATION OF RECITALS

Section 1.01 Incorporation of Recitals

The recitals set forth above are hereby incorporated into and made a part of this Agreement.

ARTICLE 2. CONTRACTOR'S DUTIES AND RESPONSIBILITIES

Section 2.01 Scope of Services

The Contractor shall provide professional services which shall include (i) all of the services sought by the CHA under the RFP and (ii) all of the services and/or obligations of the Contractor, its officers, directors, officials, joint ventures, principals, partners, agents, representatives, employees and permitted (in accordance with Section 2.09) subcontractors (collectively, the "**Employees**") set forth in the Statement of Work attached hereto as Exhibit III and incorporated into and made a part of this Agreement by this reference (collectively, the "Services"). The Contractor shall be available to commence the Services immediately upon the Effective Date and shall at all times provide them in accordance with the standards set forth in Section 2.02. The Services shall be provided at those CHA locations set forth in the RFP.

Section 2.02 Performance Standards

The Contractor shall perform all Services required under this Agreement with the degree of skill, care and diligence normally shown by an entity performing services of a scope, purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. The Contractor shall at all times use its best efforts to assure quality, timeliness, efficiency and creativity in rendering and completing the Services. The Contractor agrees that performance of the Services in a satisfactory manner shall include quick response to the CHA's needs. Accordingly, the Contractor shall return all telephone calls and respond to all faxes, electronic mail and other CHA communications on a timely basis.

The Contractor shall at all times act in the best interests of the CHA consistent with its professional obligations assumed by it in entering into this Agreement.

Section 2.03 Key Personnel

The Contractor's personnel who will be providing Services under this Agreement shall be under the supervision of the following key personnel: Tony Rakestraw. The Contractor retains the right to substitute key personnel with reasonable cause, provided, however, that the CHA shall have the right to approve such staff changes, which such approval shall not be unreasonably withheld.

Section 2.04 Non-Discrimination

The Contractor shall comply with all federal, state and local non-discrimination laws, rules, regulations and ordinances including, but not limited to, The Civil Rights Act of 1964, 42 U.S.C. 2000a et seq., as amended, and all regulations promulgated thereto. The Contractor shall particularly remain in compliance at all times with: Exec. Order No. 11,246, 30 Fed. Reg. 12,319, reprinted in 42 U.S.C. 2000e note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501, and as otherwise amended from time to time; Age Discrimination Act of 1975, 42 U.S.C. 6101-6107, as amended; Rehabilitation Act of 1973, 29 U.S.C. 793-794, as amended; Fair Housing Amendments Act, 42 U.S.C. 3601 et seq., as amended; Americans with Disabilities Act of 1990, 42 U.S.C. 12101 and 41 C.F.R. Part 60 et seq., as amended; Illinois Human Rights Act, 775 ILCS 5/2-101 et seq., as amended, and regulations promulgated in accordance therewith, including but not limited to the Equal Employment Opportunity Clause, Ill. Admin. Code Tit. 44 s 750 Appendix A; Illinois Public Works Employment Discrimination Act, 775 ILCS 10/0.01 et seq., as amended. Chicago Human Rights Ordinance, s2-160-010 et seq., of the Municipal Code of Chicago, as amended; and the Chicago Fair Housing Regulations, s5-8-010 et seq., of the Municipal Code of Chicago, as amended. In addition, the Contractor must furnish such reports and information as requested by the Chicago Commission on Human Relations.

Section 2.05 MBE/WBE/DBE Participation and Section 3 Requirements

The Contractor agrees to comply with the CHA's Minority, Women and Disadvantaged Business Enterprise ("**MBE/WBE/DBE**") participation requirements and the CHA's Section 3 requirements in accordance with the Contractor's MBE/WBE/DBE Utilization Plan and Section 3 Utilization Plan (each of which is attached as part of Exhibit II and which has been incorporated into and made a part of this Agreement by this reference pursuant to clauses (ii) & iii) of the fourth recital of this Agreement), and otherwise comply with the CHA's MBE/WBE/DBE Policy and Section 3 Policy as may be required.

Section 2.06 Ownership of Documents; Records and Reports

A. All information, documents, records, reports and materials in any form prepared or assembled by the Contractor or provided to the CHA under this Agreement are and shall be the property of the CHA and are and shall be considered works-made-for-hire. All information, documents and materials provided to the Contractor by the CHA (collectively, "**CHA Information**") shall be and remain the property of the CHA and are subject to the requirements of Section 2.08. During the performance of its Services, the Contractor shall be responsible for any loss or damage to all of such items and CHA Information while in the Contractor's possession and shall restore any such items that are lost or damaged at the Contractor's sole cost and expense.

B. The Contractor shall maintain its books and records and adopt a system of accounting in accordance with generally accepted accounting principles and practices, to properly reflect all costs of whatever nature claimed to have been incurred or anticipated to be incurred in connection with the Contractor's performance under this Agreement. In addition, the Contractor shall keep such books and records in a safe place disclosed to the CHA and make them readily available for audit, examination, excerpt, abstracting, copying and transcription to be conducted

by the CHA, HUD, the Comptroller General of the United States or their duly authorized representatives or agents, and allow inspection, copying and abstracting for at least three (3) years after the final payment is made in connection with this Agreement and all other pending matters are closed.

Section 2.07 Audit Requirement

The CHA retains an irrevocable right to independently or, through a third party, audit the Contractor's books and records pertaining to this Agreement pursuant to and in accordance with Section 2.06(B) and disallow any inappropriate billings upon written notice to the Contractor.

In addition to the immediately preceding paragraph and notwithstanding any time period for the payment of invoices set forth in Section 4.02, the CHA, through its authorized officers, directors, principals, agents and employees, specifically including, without limitation, the CHA's Inspector General, is hereby authorized to conduct reasonable reviews and audits of any and/or all of the Contractor's documents, files, timesheets, papers, sign in sheets, Security Reports (as such capitalized term is defined in Section B(5)(a) of Exhibit III), receipts, notes, memoranda, personnel files and any other records of any kind (collectively, the "**Records**"), and inquiries and interviews of any of the Employees (such reviews, audits, inquiries and interviews, the "**CHA Audits**"), at any time and for any purpose related to the CHA's review, monitoring or enforcement of Contractor's compliance with any provision of this Agreement, including, without limitation, in order to satisfy the CHA that the Services for which the Contractor is seeking payment from the CHA pursuant to any invoice were provided in accordance with this Agreement and that such invoice is true and correct in all respects, and in order to investigate alleged acts or omissions of Contractor under this Agreement. The Contractor agrees to cooperate fully and in all respects with all aspects of all CHA Audits, including, without limitation, promptly making available to the CHA any and all Records requested by the CHA pursuant to any CHA Audit and promptly making available for any inquiries and interviews all of the Employees as directed by the CHA, including, without limitation, all security officers, supervisors and other relevant administrative personnel.

Section 2.08 Confidentiality

The Contractor agrees that the CHA Information and all information, documents, records, reports and materials in any form prepared or assembled or received by the Contractor or provided to the CHA under to this Agreement (collectively, the "**Confidential Information**") are to remain confidential and to be used solely for the purposes of meeting the objectives of this Agreement. The Contractor agrees that the Confidential Information and its existence shall not be disclosed or made available to any individual or organization other than the CHA, HUD or courts of competent jurisdiction or administrative agencies pursuant to a subpoena, without the prior written approval of the CHA. In the event disclosure is required by a court or administrative agency pursuant to such a subpoena, the Contractor shall notify the CHA immediately of such requirement and the circumstances regarding same and shall provide reasonable assistance and cooperation, at the CHA's reasonable expense, to enable the CHA to seek a protective order or otherwise prevent such disclosure. Notwithstanding the foregoing, the Contractor shall not be obligated to withhold such disclosure beyond the time ordered by such court or administrative agency pursuant to such subpoena unless such subpoena is quashed or the time to disclose is otherwise extended.

Upon the expiration or termination of this Agreement for any reason, the Contractor shall return or, if requested in writing by the CHA, destroy the Confidential Information (or such portions thereof which the CHA has requested the Contractor to destroy), and all copies thereof, and certify to the CHA in writing that it no longer has in its possession or under its control such Confidential Information in any form whatsoever.

The Contractor agrees that irreparable injury may result to the CHA if this Section is breached by the Contractor or any of the Employees. Accordingly, in addition to any and all other remedies to which the CHA may be entitled, the CHA shall also have the right to obtain equitable relief, including but not limited to injunctive relief, to prevent any disclosure of the Confidential Information, plus reasonable attorneys' fees and other litigation expenses incurred in connection therewith, without having to post any bond or other security or prove actual damages. The right to equitable relief in this paragraph shall be in addition to, and may be sought notwithstanding the dispute resolution procedures found in, Article 5.

Section 2.09 Subcontracts and Assignments

Except as expressly provided for herein or in the Subcontractor Information Submittal of the Proposal, the Contractor shall not subcontract, assign, transfer or otherwise delegate all or any part of its obligations under this Agreement or any part hereof without the prior written approval of the CHA. Any attempted subcontract, assignment or delegation without such prior written approval shall be void and of no legal effect.

The Contractor shall not transfer or assign, in whole or in part, any funds or claims due or which may become due under this Agreement without the prior written approval of the CHA. Any attempted transfer or assignment of any of such funds, either in whole or in part, or any interest therein, which shall be due or to become due to the Contractor, shall be void and of no effect whatsoever without the CHA's prior written approval. The CHA expressly reserves the right to assign or otherwise transfer all or any part of its rights or interests hereunder.

Section 2.10 Patents and Copyrights

To the extent applicable, the CHA reserves an exclusive, perpetual and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for CHA or HUD purposes, including but not limited to commercial exploitation: (a) the copyright or patent in any work developed or discovered in the performance of the Services under this Agreement, and (b) any rights of copyright or patent of which the Contractor purchases ownership or obtains a license with funds awarded pursuant to this Agreement for the purpose of meeting the objectives of this Agreement.

Section 2.11 Religious Activities

In connection with the Services to be provided under this Agreement, the Contractor agrees that it shall not (i) discriminate against any person on the basis of religion or limit employment or give preference in employment to persons on the basis of religion; or (ii) discriminate when providing the Services hereunder against any person on the basis of religion or limit such Services or give preference to persons on the basis of religion.

Section 2.12 Drug-Free Workplace

The Contractor shall establish procedures and policies to promote a “Drug-Free Workplace.” Further, the Contractor shall notify all of the Employees of its policy for maintaining a “Drug-Free Workplace,” and the penalties that may be imposed for drug abuse violations occurring in the workplace. Finally, the Contractor shall notify the CHA if any of the Employees are convicted of a criminal drug offense in the workplace no later than ten (10) days after such conviction.

Section 2.13 Force Majeure

Notwithstanding any other provision in this Agreement, neither the Contractor nor the CHA shall be liable or held responsible for any failure or delay in performing its obligations under this Agreement, including but not limited to the scope of Services, which result from circumstance or causes beyond such party’s reasonable control, including but not limited to fire or casualty, acts of God, strikes or labor disputes, war or violence, or any order or requirement of any government agency or authority.

ARTICLE 3. TERM OF AGREEMENT

Section 3.01 Term of Agreement

This Agreement shall commence on the Effective Date and shall continue for a period of two (2) years from the Effective Date (the “**Base Term**”) or until this Agreement is terminated in accordance with its terms, whichever occurs first. The CHA shall have the option of extending the term of this Agreement on the same prevailing terms and conditions provided herein by two (2) additional one-year option terms (each an “**Option Year**”), subject only to any applicable pricing changes set forth in the Proposal for such Option Year(s) exercised by the CHA in its sole discretion.

Section 3.02 Timeliness of Performance

The Contractor shall provide the Services in a timely manner and as required under this Agreement. The Contractor and the CHA acknowledge that deadlines for certain Services provided for in this Agreement are dictated by the requirements of agencies or events outside the control of the CHA and the Contractor, and the failure by the Contractor to meet deadlines will significantly affect the CHA. In those and all other circumstances concerning the Contractor’s obligations under this Agreement, Time Is Of The Essence.

ARTICLE 4. COMPENSATION AND PAYMENT

Section 4.01 Compensation

The firm, fixed rates for Services for the two (2) year Base Term and the two (2) Option Year terms are as set forth in the Contractor’s Best and Final Fee Proposal, which is attached hereto as Exhibit IV and incorporated into and made a part of this Agreement by this reference. The total amount available to be paid to the Contractor for the satisfactory (as the CHA shall

determine in the CHA's sole discretion) provision of the Services shall be a sum-not-to-exceed: (i) One Million Two Hundred and Fifty-Six Thousand Four Hundred Forty-Six and 00/100 Dollars (\$1,256,446.00) for the Base Term; and (ii) Six Hundred Sixty-Five Thousand Nine Hundred Seventeen and 00/100 Dollars (\$665,917.00) for Option Year 1; and (iii) Seven Hundred Five Thousand Eight Hundred Seventy-Two and 00/100 Dollars (\$705,872.00) for Option Year 2. The Contractor waives any and all claims for payment of Services beyond this amount without prior written amendment to this Agreement authorizing same. The Contractor recognizes and agrees it has an affirmative duty to monitor its performance and billings to ensure that the Services for the Base Term and any Option Year(s) are completed within the maximum amounts available for payment under such Base Term and Option Year(s), respectively.

Section 4.02 Payment; Retention

A. (1) The Contractor shall submit to the CHA (to the attention of the Kamaron Jarmon, Project Manager), on a semimonthly basis, a detailed invoice requesting payment for those Services which the Contractor performed and submitted during the (maximum thirty (30) day, pursuant to Section 4.02(A)(3)) period accounted for in the respective invoice. Each invoice shall set forth in detail the Services performed for the CHA's approval during such period, including but not limited to any or all of the following:

- (i) relevant timesheets which will serve as evidence of the provision of the Services for which Contractor is seeking payment from the CHA;
- (ii) written certifications by the Contractor, the form of which may be provided to the Contractor by the CHA. The certifications shall be made under oath and attest to the truthfulness and accuracy of all of the information contained on the invoices including, without limitation, the total hours worked by each security officer and supervisor as listed on such invoices; and
- (iii) if and as requested by the CHA, (a) copies of all canceled payroll checks and related payroll stubs (or equivalent payroll documentation) of the Contractor for payments made to the Contractor's compensation for Services within fifteen (15) days after receiving such canceled checks or bank statement evidencing such canceled checks; and (b) such other supporting documents and additional information (including but not limited to evidence or documentation required by any other governmental authority not already provided for herein) as the CHA may request in writing in order for the CHA to approve or disapprove, in whole or in part, any and/or all invoice(s).

(2) If the Contractor fails to submit any required documentation and materials with an invoice, the CHA shall not be required to pay the Contractor any amounts under such invoice until such required documentation and materials are submitted, and all time periods under this Agreement for payment of such invoice shall not begin to run until such required documentation and materials are submitted. The CHA's Assistant Director, Facilities Management Department or his/her designee(s) shall review and approve or disapprove, in whole or in part, such invoice(s) as set forth in Section 4.02(B).

(3) Each invoice to be submitted pursuant to this Section 4.02 may only include and invoice

Services that were provided no later than thirty (30) days prior to the date of delivery of each such respective invoice to the CHA and shall follow the invoice procedures attached hereto as Exhibit V and incorporated into and made a part of this Agreement by this reference. Accordingly, the Contractor may not be paid for any Services not invoiced to the CHA within thirty (30) days after such Services' provision.

B. (1) Subject to Section 7.02, within fifteen (15) days (or sixty (60) days if Section 4.02(B)(4) applies) after receiving an invoice (with supporting documentation) from the Contractor, the CHA will use its commercially reasonable efforts to pay the Contractor ninety percent (90%) of the total amount requested for payment to the Contractor in such invoice and approved by the CHA (the "**Initial Payment**" of the "**Stated Amount Payable**"). The remaining ten percent (10%) of the Stated Amount Payable on such invoice will be retained by the CHA until the CHA has completed its review of the truth and accuracy of such invoice (the "**Retention**"), including, without limitation, conducting all CHA Audits which the CHA (in the CHA's sole discretion) deems necessary in order to determine whether to approve payment of the Retention as described in Section 4.02(B)(2).

(2) The CHA shall have up to thirty (30) days (or sixty (60) days if Section 4.02(B)(4) applies) after payment of the Initial Payment (which period may be increased in the sole discretion of the CHA if the CHA conducts a CHA Audit pursuant to the second paragraph of Section 2.07) to:

- (i) review the truth and accuracy of each invoice under and for which such Initial Payment was made, without prejudice to the CHA's right to perform further CHA Audits pursuant to the second paragraph of Section 2.07;
- (ii) determine whether the Stated Amount Payable set forth on the invoice is greater than the amount that the CHA determines to be valid and correct (such difference, the "**Incorrect Billing**"); and
- (iii) subject to Section 7.02, determine which of the following amounts of the Retention to pay the Contractor:
 - (a) Payment in Full of Retention. If the CHA determines that the invoice in question is true and correct in all respects, and the CHA has determined that there are no Incorrect Billings, infraction deductions (as described more fully in Section 7.02(B)) or then-ascertained (as determined by the CHA in the CHA's reasonable discretion) damages owed the CHA (the "**then-ascertained damages**"), then the CHA will use its commercially reasonable efforts to pay the Contractor the full amount of the Retention.
 - (b) Payment by the CHA of Portion of Retention. If the CHA determines that the Incorrect Billing, if any, plus the amount of any infraction deduction owed the CHA pursuant to Section 7.02(B) and then-ascertained damages, is less than or equal to the Retention, then the CHA shall pay the Contractor the difference, if any, between (i) the Retention Amount minus (ii) the sum of (A) the Incorrect Billing plus (B) the amount of any infraction deduction owed the CHA pursuant to Section 7.02(B) and then-ascertained damages (the "**Proper Balance Due**").

- (c) Retention by the CHA of Full Amount of Retention. If the CHA determines that the Incorrect Billing, if any, plus the amount of any infraction deduction owed the CHA pursuant to Section 7.02(B) and then-ascertained damages, is greater than the Retention, then the CHA shall retain the full amount of the Retention.

(3) The “**Carryover Deduction**” shall mean the difference, if any, between (i) the sum of (A) an Incorrect Billing plus (B) the amount of any infraction deduction owed the CHA pursuant to Section 7.02(B) and then-ascertained damages, minus (ii) its applicable Retention. To the extent a Carryover Deduction occurs on any invoice, the CHA shall deduct the Carryover Deduction from the Stated Amount Payable of the next succeeding invoice furnished to the CHA by the Contractor, thereby reducing the Stated Amount Payable of such next succeeding invoice by the amount of the Carryover Deduction. If the Carryover Deduction is greater than the Stated Amount Payable of the next succeeding invoice, the CHA shall owe nothing to the Contractor for such next succeeding invoice, and shall continue to deduct any remaining Carryover Deduction from the Stated Amount Payable of succeeding invoices until the full amount of the Incorrect Billing paid to Contractor has been reimbursed in full to the CHA.

(4) Notwithstanding Sections 4.02(B)(1-2), if any portion of the Contract Price is being paid in whole or in part from the proceeds of any federal grant or loan with the CHA, the CHA shall have up to sixty (60) days from the date of receipt of an invoice from the Contractor to use its commercially reasonable efforts to pay the Initial Payment due on such invoice, and up to sixty (60) days from the payment of the Initial Payment to determine whether to pay any portion of the Retention associated with same.

Section 4.03 Non-Appropriation

Funding for this Agreement is subject to (to the extent applicable) (i) the availability and/or actual receipt of federal funds from HUD, (ii) the approval of funding by the CHA’s Board of Commissioners, and (iii) the Contractor’s satisfactory performance of its obligations under this Agreement. Furthermore, if no funds or insufficient funds are appropriated or budgeted, or if Congress rescinds appropriated funds, in any fiscal period during the term of this Agreement, then the CHA may notify the Contractor of any such occurrence and this Agreement shall terminate on the earlier of (a) the last day of the fiscal period under the Agreement’s term for which sufficient appropriation is made or (b) whenever the funds appropriated for payment under this Agreement are exhausted, and the CHA shall not be liable for any amount over or above such amount.

ARTICLE 5. DISPUTES

Section 5.01 Disputes

In the event of a dispute between the CHA and the Contractor involving this Agreement, both parties shall attempt to negotiate a resolution. If the parties cannot resolve the dispute through negotiation, either party shall, unless otherwise set forth herein, submit the dispute in writing to the CHA’s Director of Procurements & Contracts who shall render a decision concerning the dispute submitted. Unless the Contractor, within thirty (30) days after receipt of the decision, shall notify the CHA’s Director of Procurements & Contracts in writing (at the

address and by the means specified in Section 10.02) that it takes exception to the decision, the decision of the Director of Procurements & Contracts shall be final and binding. Provided the Contractor has given written notice within the time stated and has brought suit against the CHA not later than one (1) year after the Contractor has received notice of the decision of the Director of Procurements & Contracts then the decision of the Director of Procurements of Contracts shall not be final and the dispute shall be determined on the merits by a court of competent jurisdiction.

ARTICLE 6. RISK MANAGEMENT

Section 6.01 Insurance

Prior to the commencement of this Agreement, Contractor shall procure, pay for and maintain at all times during the term of this Agreement the types of insurance specified below in order to protect the CHA from the acts, omissions, and negligence of Contractor, its officers officials, subcontractors joint ventures, partners, agents or employees among other things. The insurance carriers used by Contractor must be authorized/licensed to conduct business in the State of Illinois, and shall have a rating according to the most recent edition of Best's Insurance Guide, of not less than "A". The insurance provided shall cover all operations under this Agreement, whether performed by Contractor or by its subcontractors, joint ventures, partners, agents, officers or employees.

A. Required Insurance Coverage

- (i) Workers Compensation and Occupational Disease insurance in accordance with the laws of the State of Illinois along with Employer's Liability in an amount of not less than One Million and 00/100 Dollars (\$1,000,000.00) (i.e. \$1,000,000.00/\$1,000,000.00/ \$1,000,000.00);
- (ii) Commercial/General Liability insurance in an amount of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence with an aggregate of not less than Two Million and 00/100 Dollars (\$2,000,000.00) (i.e. \$1,000,000.00/ \$2,000,000.00). In addition to the stipulations outlined in the immediately preceding sentence, the insurance policy shall include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and shall also cover injury to the Employees and the Contractor's invitees and guests and their personal property. The CHA shall be endorsed as an additional insured on the Contractor's policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to the CHA;
- (iii) When any motor vehicles (owned, non-owned and hired) are used in connection with the Services, Comprehensive Automobile Liability Insurance with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence CSL, for bodily injury and property damage. The CHA shall be endorsed as an additional insured on the Contractor's policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to the CHA; and
- (iv) Professional Liability Insurance covering acts, errors, or omissions shall be

maintained with limits of not less than Five Million and 00/100 Dollars (\$5,000,000.00) per occurrence. Coverage extensions shall include Blanket Contractual Liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the start of Services under this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years; and

- (v) Umbrella Liability Coverage, if applicable, is to follow the form of the Primary Insurance requirements outlined above.

B. Related Requirements

The Contractor shall submit to the CHA's Director of Procurements & Contracts (at the address specified for same in Section 10.02), original Certificates of Insurance evidencing the required coverages to be in force no later than the commencement date set forth in the Notice-to-Proceed issued in connection with this Agreement or the commencement of any of the Services, whichever is sooner. In addition, copies of the endorsement(s) adding the CHA and any applicable CHA property manager to the Contractor's policy as an additional insured are required. The required documentation must be received prior to the Contractor commencing work under this Agreement. Renewal Certificates of Insurance, required or requested endorsements, or such similar evidence, are to be received by the Procurements & Contracts Department prior to expiration or renewal date occurring during the term of this Agreement. At the CHA's option, non-compliance will result in one or more of the following actions: (i) the CHA will purchase insurance on behalf of the Contractor and will charge back all cost to the Contractor; (ii) the Contractor shall be immediately removed from the CHA's property(ies) and this Agreement shall be revoked; (iii) all payments due the Contractor will be withheld until the Contractor has complied with this Agreement; or (iv) the Contractor will be assessed Five Hundred and 00/100 Dollars (\$500.00) for every day of non-compliance. The receipt of any certificates does not constitute agreement by the CHA that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate comply with all Agreement requirements. The insurance policies shall provide for thirty (30) days prior written notice to be given to the CHA in the event coverage is substantially changed, canceled or non-renewed.

If any of the required insurance is underwritten on a claims made basis, the retroactive date shall be prior to or coincident with the date of this Agreement and the Certificate of Insurance shall state the coverage is "claims made" and also the retroactive date. The Contractor shall maintain coverage for the entire term of this Agreement. Any extended reporting period premium (tail coverage) shall be paid by the Contractor. The Contractor shall provide to the CHA, annually, a certified copy of the insurance policies obtained pursuant hereto. It is further agreed that the Contractor shall provide the CHA thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the retroactive date, cancellation and/or non renewal.

The Contractor shall advise all insurers of this Agreement's provisions regarding insurance and the term under which such insurance is required. The Contractor's failure to notify insurers of such provisions shall not relieve the Contractor from its insurance obligations under this Agreement. Non-fulfillment of any of such insurance provisions and obligations shall

constitute an event of default and be deemed a part of and subject to Article 7.

The Contractor shall require all subcontractors to carry the insurance required herein or the Contractor may provide the coverage for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in this Section 6.01. Evidence of such coverage must be submitted to the CHA.

The Contractor expressly understands and agrees that any insurance or self-insurance programs maintained by the CHA shall apply in excess of and will not contribute with insurance provided by the Contractor under this Agreement.

Section 6.02 Indemnification

The Contractor agrees to protect, defend, indemnify, keep, save, and hold the CHA, its officers, officials, employees and agents and contractors free and harmless from and against any and all liabilities, losses, penalties, damages, settlements, environmental liability, costs, charges, professional fees or other expenses or liabilities of every kind, nature and character arising out of or relating to any and all claims, liens, demands, obligations, actions, suits, judgments or settlements, proceedings or causes of action of every kind, nature and character (collectively, “**Claims**”) in connection with or arising directly or indirectly out of this Agreement and/or the acts and omissions of the Contractor or any of the Employees, including but not limited to the enforcement of this indemnification provision. Without limiting the foregoing, any and all such Claims, relating to personal injury, death, damage to property, defects in material or workmanship, actual or alleged infringement of any patent, trademark, copyright or any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The Contractor further agrees to investigate, handle, respond to, provide defense for and defend all suits for any and all Claims at its sole expense and agrees to bear all the costs and expenses related thereto, even if the Claims are considered groundless, false or fraudulent.

The CHA shall have the right, at its option and at the Contractor’s expense, to participate in the defense of any suit, without relieving the Contractor of any of its obligations under this Section. The Contractor expressly understands and agrees that the requirements set forth in this indemnity to protect, defend, indemnify, keep, save and hold the CHA free and harmless are separate from and not limited by the Contractor’s responsibility to obtain, procure and maintain insurance pursuant to any other Section of this Agreement. Further, the indemnities contained in this Section shall survive the expiration or termination of this Agreement for any reason.

ARTICLE 7. EVENTS OF DEFAULT, REMEDIES, ETC.

Section 7.01 Events of Default Defined

Each of the following shall constitute an event of default:

- (i) any misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by the Contractor to the CHA;

- (ii) the Contractor's failure to perform any of its obligations under this Agreement including but not limited to the following:
 - (A) inability to provide the Services in accordance with this Agreement's standards or as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
 - (B) failure to comply with any material term of this Agreement, including but not limited to the provisions concerning compliance with HUD regulations, insurance and nondiscrimination; and
 - (C) failure to promptly re-perform and/or provide, as applicable, Services that are erroneous or unsatisfactory to the CHA;
- (iii) any change in majority ownership or majority control of the Contractor without the prior written approval of the CHA, which written approval shall not be unreasonably withheld; and
- (iv) the Contractor's default under any other agreement it may presently have or may enter into with the CHA during this Agreement. The Contractor acknowledges and agrees that in the event of a default under this Agreement the CHA may also declare a default under any such other agreements.

Section 7.02 Remedies

A. If an event of default occurs which the Contractor fails to cure within thirty (30) calendar days after receipt of written notice given in accordance with the terms of this Agreement and specifying the event of default, or if such event of default cannot be reasonably cured within thirty (30) calendar days after such a notice, or if the Contractor has failed to commence and continue diligent efforts to cure such event of default within thirty (30) days after such notice, the CHA may, at its sole option, declare the Contractor in default. Whether to declare the Contractor in default is within the sole discretion of the CHA and neither that decision nor the factual basis for it is subject to review or challenge under Article 5. Written notification of the default shall be provided to the Contractor pursuant to Article 10. Upon the giving of such notice, the CHA may invoke and shall be entitled to any or all of the following remedies:

- (i) terminating this Agreement or this Agreement as to any or all of the Services yet to be provided effective at a time specified by the CHA;
- (ii) pursuing any and all remedies, legal and/or equitable, available to the CHA;
- (iii) to the extent not already withheld or set off in accordance with Section 4.02(B) and Section 7.02(C), which the CHA shall have the right to retain or otherwise set off pursuant to the terms of such Section, withholding and applying or setting off all or any part of the Contractor's compensation hereunder with respect to and against Services not completed or provided in accordance with the terms hereof and against any damages or liability of the Contractor resulting from same;

- (iv) deeming the Contractor non-responsive in future contracts to be awarded by the CHA; and
- (v) taking over and completing all or any of the Services or any party thereof as agent for and at the cost of the Contractor, either directly or through others.

If the CHA so desires, the CHA may elect not to declare default or to terminate this Agreement hereunder. The parties acknowledge that this provision is solely for the benefit of the CHA and that if the CHA permits the Contractor to continue to provide the Services despite one or more events of default, the Contractor shall in no way be relieved of any of its responsibilities, duties or obligations under this Agreement, nor shall the CHA waive or relinquish any of its rights.

B. The Contractor and the CHA understand that breaches and Incorrect Billings by the Contractor may occur and agree that each of same would significantly harm the CHA. Accordingly, in order to adequately compensate the CHA for certain breaches and Incorrect Billings by the Contractor, the Contractor and the CHA agree that the CHA shall be entitled to correct any Incorrect Billing and, where appropriate, take an “**infraction deduction**” from the Stated Amount Payable on (an) Invoice(s) received by the CHA in accordance with the Infraction List attached hereto as Exhibit VI incorporated into and made a part of this Agreement by this reference. Such infraction deduction shall be in addition to any other remedies provided under this Agreement, including but not limited to the CHA’s right to terminate this Agreement pursuant to Section 7.02(A)(i). Billing corrections and infraction deductions imposed on the Contractor pursuant to this Section 7.02(B) shall be applied in accordance with Section 4.02(B) and Exhibit VI.

C. If the Contractor or any of its Employees fails to report any reportable event under any Security Report (as such capitalized term is defined in Section B(5)(a) of Exhibit III) it may be required to prepare under the Services, then in addition to any other remedies available to the CHA under this Agreement, the CHA may deduct any damages or other costs incurred by the CHA as a direct result of any such reportable event from the Stated Amount Payable on (an) Invoice(s) received by the CHA. In the event the CHA does not receive any additional Invoices from the Contractor after the CHA’s discovery of the Contractor’s failure to report reportable events to the CHA as required by this Agreement, the Contractor shall be obligated to immediately reimburse the CHA for such damages or costs, including but not limited to any and all attorney fees and court costs incurred in connection therewith. The Contractor shall be liable for any damages or other costs incurred by the CHA as a result of reportable events resulting or arising from the intentional wrongdoing or negligent act or omission of any security officer, supervisor or other Employee, including but not limited to any and all attorneys’ fees and court costs incurred in connection therewith.

D. The CHA’s remedies enumerated under this Agreement are not intended to be exclusive of any other remedies available to it, 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 on the part of the CHA to exercise any right or power accruing upon any event of default or acquiescence therein shall be construed as a waiver, and the CHA may exercise every such right and power from time to time and as often as the CHA may in its sole

discretion deem expedient.

Section 7.03 Termination for Convenience

The CHA may terminate for convenience this Agreement, or all or any portion of the Services to be provided under it, at any time by written notice from the CHA to the Contractor when the CHA in the CHA's sole discretion deems this Agreement or any of the Services to be no longer in the CHA's best interests. If the CHA elects to terminate this Agreement in full, all Services to be provided hereunder shall cease effective (i) ten (10) days after the Contractor's date of receipt of the CHA's written notice or (ii) on such termination date as the CHA may have set forth in its written notice, whichever is later. The Contractor shall continue to provide the Services until the effective date of termination. No cost incurred by the Contractor after the effective date of termination shall be allowed. Subject to performance within the requisite standards of this Agreement and the results of any audits conducted pursuant to Sections 2.06(B) and 2.07, the CHA shall pay to the Contractor, on a pro-rata basis, fees incurred for Services provided through the date of termination. If a court of competent jurisdiction determines that an election by the CHA to terminate this Agreement for default pursuant to Section 7.02 is wrongful, then such termination shall at the CHA's sole option be deemed to be a termination for convenience pursuant to this Section. This Section is not subject to Article 5.

Section 7.04 Suspension

The CHA may at any time request that the Contractor suspend its Services or any part thereof by giving ten (10) days prior written notice to the Contractor or upon no notice in the event of an emergency. No costs incurred after the effective date of such suspension shall be allowed. The Contractor shall promptly resume its provision of such Services under the terms and conditions of this Agreement upon written notice by the CHA's Director of Procurements & Contracts.

Section 7.05 No Damages for Delay

The Contractor agrees that it shall make no claims against the CHA for damages, charges, interest, additional costs or fees incurred by reason of delays or suspension of work caused by the CHA in the performance of the CHA's obligations under this Agreement. The Contractor's sole and exclusive remedy for delays or suspension of work caused by the CHA is an extension of time equal to the duration of delay or suspension to allow the Contractor to perform its obligation under this Agreement.

ARTICLE 8. WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS

Section 8.01 Warranties, Representations and Covenants

In connection with the execution of this Agreement, the Contractor warrants, represents and/or covenants, as applicable:

- (i) that the Contractor has provided security services to organizations and of the type similar to the CHA and the Services for a period of five (5) years prior to the date

hereof;

- (ii) that the Contractor has all federal, state and local licenses required for the operation of a private security contractor agency and the provision of the Services as contemplated by this Agreement, and meets all relevant federal, state, and local government insurance, licensing, certification, training, bonding, and other similar requirements;
- (iii) that the Contractor has visited and is familiar with each of the CHA locations for which the Contractor is to provide the Services, and such CHA locations are acceptable to the Contractor;
- (iv) that the Contractor shall provide every security officer and supervisor with training that (a) is adequate for providing the Services for the CHA under this Agreement, and (b) exceeds the minimum training requirements, in all areas, imposed upon private security contractor agencies by state law;
- (v) that the Contractor is financially solvent and each of the Employees of any tier are competent and able to provide the Services required under this Agreement, that the Contractor is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated herein, and that the Contractor's execution and performance of this Agreement is not prohibited by or in conflict with any other Agreement or obligation of the Contractor;
- (vi) that no officer, agent or employee of the CHA is employed by the Contractor or has a financial interest directly or indirectly in this Agreement or the compensation to be paid hereunder except as may be permitted in writing by the CHA and HUD, that no payment, gratuity or offer of employment shall be made in connection with this Agreement by or on behalf of any sub-contractors to the Contractor (or anyone associated therewith) as an inducement for the award of a subcontract or order, and that any agreement entered into, negotiated or performed in violation of any of the provisions set forth herein shall be void;
- (vii) that the Contractor shall not knowingly use the services of any ineligible contractor or consultant for any purpose in the provision of Services under this Agreement;
- (viii) that the Contractor and its sub-contractors, if any, are not in default at the time of the execution of this Agreement, or deemed by the CHA's Director of Procurements and Contracts to have, within five (5) years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the CHA and/or HUD;
- (ix) that the Contractor has carefully examined and analyzed the provisions and requirements of this Agreement and that it understands the nature of the Services required;
- (x) that this Agreement is feasible to perform in accordance with all of its provisions and requirements and that the Contractor can and shall provide, or cause to be provided,

the Services in strict accordance with the requirements of this Agreement;

- (xi) that, except for those representations, statements, or promises expressly contained in this Agreement, no representation, statement or promise of any kind whatsoever by the CHA, its officials, agents, or employees, has induced the Contractor to enter into this Agreement or has been relied upon by the Contractor;
- (xii) that neither the Contractor or, to the best of its knowledge, its subcontractors are in violation of the provisions of 18 U.S.C. 666(a)(1), as amended, the Illinois Criminal Code, 720 ILCS 5/33E-1 et seq., as amended, or the CHA's Ethics Policy (attached to the RFP), as amended, which the Contractor shall comply with during this Agreement;
- (xiii) that the Contractor acknowledges that the CHA, in its selection of the Contractor to provide the Services, materially relied upon the Contractor's Proposal, that the Proposal was accurate at the time it was made, and that no material changes in it have been nor will be made without the express written consent of the CHA; and
- (xiv) that the Contractor understands and agrees that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination of this Agreement.

Section 8.02 Joint and Several Liability

In the event that the Contractor, or its permitted (in accordance with this Agreement) successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination thereof), then and in that event, each and every obligation or undertaking herein stated to be fulfilled or performed by the Contractor shall be the joint and several obligation or undertaking of each individual or other legal entity.

Section 8.03 Business Documents and Contractor's Affidavit

The Contractor shall, prior to the provision of any Services, provide to the CHA evidence of its authority to conduct business in the State of Illinois, including without limitation registrations of assumed names or limited partnerships and certifications of good standing with the Office of the Secretary of the State of Illinois. The Contractor has included a Contractor's Affidavit, which is attached hereto as part of Exhibit II, and incorporated into and made a part of this Agreement pursuant to clause (i) of the fourth recital of this Agreement.

Section 8.04 Conflict of Interest

No member of the governing body of the CHA or other units of government and no other officer, employee, or agent of the CHA or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement pertains, shall have any personal interest, direct, or indirect, in this Agreement. No member of or delegate to the Congress of the United States or the Illinois General Assembly or CHA employee shall be entitled to any share or part of this Agreement or to any financial benefit to arise from it.

The Contractor represents, warrants and/or covenants, as applicable, that it and each of the Employees presently have no interest and shall acquire no interest, direct or indirect, in this Agreement which would conflict in any manner or degree with the provision of the Services hereunder. The Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed. The Contractor agrees that if the CHA determines that any of the Contractor's Services for others conflict with the Services that the Contractor is to render for the CHA under this Agreement, the Contractor shall terminate such other services immediately upon request of the CHA.

Additionally, pursuant to the conflict of interest requirements in OMB Circular A-102 and 24 C.F.R. 85.36(b)(3), no person who is an employee, agent, consultant, officer, or appointed official of the CHA and who exercises or has exercised any functions or responsibilities with respect to HUD assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to HUD activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those whom he or she has family or business ties, during his or her tenure or for one year thereafter.

Furthermore, the Contractor represents, warrants and/or covenants, as applicable, that it currently is and shall remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act, 31 U.S.C. 1352, as amended, and related rules and regulations set forth in 54 Fed. Reg. 52,309 ff.(1989).

Section 8.05 Non-Liability of Public Officials

No official, employee or agent of the CHA shall be personally liable to the Contractor or the Contractor's successor in interest for: (i) any default or breach by the CHA under this Agreement, (ii) any fee due to the Contractor or the Contractor's successor in interest or (iii) any other obligation arising under this Agreement.

Section 8.06 Independent Contractor

The Contractor shall perform under this Agreement as an independent contractor to the CHA and not as a representative, employee, agent, or partner of the CHA.

ARTICLE 9. GENERAL CONDITIONS

Section 9.01 Entire Agreement

This Agreement and those specific Exhibits attached hereto (or portions thereof, as applicable) which have been specifically incorporated into and made a part of this Agreement shall constitute the entire Agreement between the parties hereto relating to the subject matter hereof, and no other warranties, inducements, considerations, covenant, conditions, promises or interpretations shall be implied between the parties that are not set forth herein and therein.

Section 9.02 Counterparts

This Agreement may be executed in several identical counterparts, each of which shall be deemed an original and when taken together shall constitute one Agreement binding on the parties hereto.

Section 9.03 Amendments

No changes, amendments, modifications, or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the authorized agent of the Contractor and by the Chief Executive Officer of the CHA or his respective designee(s) (as designated in writing by such Chief Executive Officer). The CHA shall incur no liability for additional Services without a written amendment to this Agreement pursuant to this Section.

Whenever in this Agreement the Contractor is required to obtain prior written approval, the effect of any approval which may be granted pursuant to the Contractor's request shall be prospective only from the later of the date approval was requested or the date on which the action for which the approval was sought is to begin. In no event may approval apply retroactively to a date before the approval was granted.

Section 9.04 Compliance with All Laws

The Contractor shall at all times observe and comply with all applicable laws, ordinances, rules, regulations (including but not limited to HUD regulations) and executive orders of the federal, state and local government, now existing or hereinafter in effect, which may in any manner affect the performance of this Agreement. Provisions(s) required by law, ordinances, rules, regulations, or executive orders to be inserted shall be deemed inserted whether or not they appear in this Agreement or, upon application by either party, this Agreement shall forthwith be amended to literally make such insertion; however, in no event shall the failure to insert such provision(s) prevent the enforcement of this Agreement or such provision(s).

In furtherance (but not in limitation) of the immediately preceding paragraph, the Contractor shall at all times observe and comply with the Uniform Administrative Requirements contained in 24 C.F.R. 85.1 et seq., as amended; Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000det seq.), as amended; the Fair Housing Act (42 U.S.C. 3601 et seq.), as amended; Exec. Order No. 11,063 (27 Fed. Reg. 11,527 (1962)), as amended by Exec. Order No. 12,259 (46 Fed. Reg. 1,253 (1980)); the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), as amended; the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended; the Davis-Bacon Act (40 U.S.C. 276aet seq.), as supplemented by Department of Labor regulations (29 C.F.R. Part 5), each as amended; the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.), as supplemented by Department of Labor regulations (29 C.F.R. Part 5), each as amended; the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended; the Clean Air Act (42 U.S.C. 7401 et seq.), as amended; the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended; Exec. Order No. 11,246 (30 Fed. Reg. 12,319 (1965)), Exec. Order Nos. 12,086 (43 Fed. Reg. 46,501 (1978)) and 11,375 (32 Fed. Reg. 14,303 (1967)); Exec. Order No. 12,372 (47 Fed. Reg. 30,959 (1982)); the Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c), as supplemented by Department of Labor regulations (29 C.F.R. Part 3), each

as amended; the Byrd "Anti-Lobbying" Amendment (31 U.S.C. 1352), as amended; and Exec. Orders 12,549 (51 Fed. Reg. 6,370-71 (1986)) and 12,689 (54 Fed. Reg. 34,131 (1989)). Additionally, the Contractor shall comply with the applicable provisions of OMB Circulars A-133, A-102, A-122, A-110 and A-87, as amended, succeeded or revised.

The Contractor shall take such actions as may be necessary to comply promptly with any and all governmental orders imposed by any duly constituted government authority whether imposed by federal, state, county or municipal authority.

Section 9.05 Severability

If any provision(s) of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case or circumstances in any applicable jurisdiction or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, then (i) such circumstances shall not have the effect of rendering the provision(s) in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision(s) herein contained invalid, inoperative, or unenforceable to any extent whatever, and (ii) such provision(s) shall be reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent.

Section 9.06 Governing Law and Jurisdiction

This Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois. The Contractor hereby irrevocably submits itself to the original jurisdiction of those courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. The Contractor agrees that service of process on the Contractor may be made, at the option of the CHA, either by registered or certified mail addressed to the applicable office as provided for in this Agreement and to the office actually maintained by the Contractor, or by personal delivery on any managing partner, partners and principals of the Contractor. If the Contractor brings any action against the CHA concerning this Agreement, the action shall only be brought in those courts located within the County of Cook, State of Illinois.

Section 9.07 Interpretation

A. Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions hereof. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, feminine or the neuter gender shall include the masculine, the feminine and the neuter. All references to any Exhibit or document shall be deemed to include all supplements and/or amendments to any such Exhibit or document entered into in accordance with the terms and conditions hereof and thereof, as applicable. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties, and obligations of such persons or entities in accordance with the terms and conditions of this Agreement. Unless otherwise expressly specified: (i) references to any statute or other law in this Agreement include all rules, regulations and orders adopted or made thereunder and all statutes or other laws amending, consolidating or replacing the statute or law referred to, whether before, on or after

the date hereof; (ii) the word “**agree**” and any derivations thereof or words of similar import in this Agreement include but are not limited to the prior written approval, consent or agreement of the person or entity holding the right to approve, consent or agree; and (iii) the words “**hereto**”, “**herein**”, “**hereof**” and “**hereunder**”, and words of similar import in this Agreement, refer to this Agreement in its entirety and as a whole and not to any particular provision of this Agreement. Furthermore, the words “**include**” and “**including**”, and words of similar import in this Agreement, shall be deemed to be followed by the words “**without limitation**”, if the context of such words does not prohibit such a limitation, and the word “**end**”, “**expiration**” and “**termination**”, and words of similar import in this Agreement, shall mean the termination of this Agreement for any reason or no reason, whether on or before the end of the Base Term or any Option Year(s), as applicable.

B. Notwithstanding any statement or provision in any document to the contrary, if there is a direct conflict between or among any of the documents or provisions incorporated into and made a part of this Agreement (including but not limited to any of the provisions in the recitals and Articles 1-11 of this Agreement), then (i) the recitals and provisions of Articles 1-11 of this Agreement (firstly), (ii) Exhibit I (secondly), (iii) Exhibit III (thirdly), (iv) Exhibit IV (fourthly), (v) Exhibit V (fifthly), (vi) Exhibit VI sixthly), and finally (vii) those portions of Exhibit II that have been incorporated into and made a part of this Agreement (lastly), shall control, in that order, notwithstanding the incorporation of such documents and/or provisions, as applicable; and where no such direct conflict exists, each of same shall be deemed to complement and supplement each other to constitute one and the same Agreement.

C. The parties and their respective counsels have jointly participated in the negotiation and drafting of this Agreement, and each of the parties acknowledges and agrees that he, she or it has carefully read this Agreement and fully understands and agrees to all of its terms. In the event of any ambiguity or question of intent or interpretation regarding this Agreement, this Agreement shall be construed as if drafted jointly by all of the parties and their respective counsels and no presumption or burden of proof shall arise favoring any particular party by virtue of the authorship of any of the provisions of this Agreement.

Section 9.08 Assigns

All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted (in accordance with Section 2.09) legal representatives, successors, transferees and assigns.

Section 9.09 Cooperation

The Contractor agrees at all times to cooperate fully with the CHA and to act in the CHA’s best interests. If this Agreement is terminated for any reason, or if it is to expire on its own terms, the Contractor shall make every effort to assure (i) an orderly transition to another contractor and (ii) the uninterrupted provision of Services during any transition period, and shall otherwise comply with the reasonable requests and requirements of the CHA in connection with the termination or expiration of this Agreement.

Section 9.10 Waiver

Whenever under this Agreement the CHA, by a proper authority, expressly waives the Contractor's performance in any respect or expressly waives a requirement or condition to either the CHA's or the Contractor's performance, the waiver so granted, shall only apply to the particular instance and shall not be deemed a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver shall be construed as a modification of this Agreement regardless of the number of times the CHA may have waived the performance of a requirement or condition.

Section 9.11 Survival

All representations and warranties of the Contractor under this Agreement, and any and every provision of this Agreement that expressly or impliedly imposes or contemplates a continuing obligation of the Contractor or right of the CHA, shall survive the expiration or termination of this Agreement for any reason.

ARTICLE 10. COMMUNICATION AND NOTICES

Section 10.01 Communication Between the Parties

Except as otherwise required by this Agreement, all verbal and written communication between the Contractor and the CHA shall be through the CHA's Director of Procurements & Contracts (at the address specified for same in Section 10.02, for courier and mailed communications) when required. No verbal communication between the parties shall change any of the terms and conditions of this Agreement. Nothing stated herein shall be construed as a waiver or modification of the requirements for notice or service of process of litigation, as set forth in the Illinois Code of Civil Procedure, the Federal Rules of Civil Procedure, the local rules of the Circuit Court of Cook County, and the local rules governing the U.S. District Court for the Northern District of Illinois.

Section 10.02 Notices

Any notices sent to the Contractor shall be in writing and shall be given by delivery of a nationally recognized courier service or by pre-paid registered or certified mail, return receipt requested, to:

SkyTech Enterprises, Ltd.
2600 South Michigan Ave., Suite 104
Chicago, Illinois 60616
Attention: Tony Rakestraw

Any notices sent to the CHA shall be in writing and shall be given by delivery of a nationally recognized courier service or by pre-paid registered or certified mail, return receipt requested, to:

Commercial Portfolio
Chicago Housing Authority

60 East Van Buren Street
Chicago, Illinois 60605
Attention: Kameron Jarmon

and:

Department of Procurements & Contracts
Chicago Housing Authority
60 East Van Buren Street
Chicago, Illinois 60605
Attention: Director of Procurement and Contracts

with a copy to:

Office of the General Counsel
Chicago Housing Authority
60 East Van Buren Street
Chicago, Illinois 60605
Attention: General Counsel

The address of any party hereto may be changed by a written notice given in accordance with the provisions hereof.

ARTICLE 11. AUTHORITY

Section 11.01 CHA's Authority

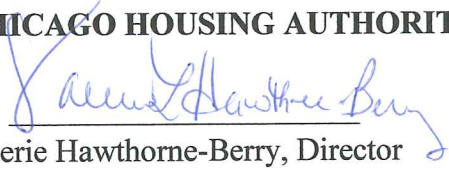
Execution of this Agreement by the CHA is pursuant to the United States Housing Act of 1937, 42 U.S.C. 1437 et seq., as amended; regulations promulgated by HUD, as amended; the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., as amended; and other applicable laws, regulations and ordinances, each as amended.

Section 11.02 Contractor's Authority

The signature of the person signing on behalf of the Contractor has been made with complete and full authority to commit the Contractor to all terms and conditions of this Agreement, including without limitation each and every representation, certification and warranty contained herein, including without limitation such representations, certifications and warranties collectively attached hereto and incorporated by reference herein.

IN WITNESS WHEREOF, the CHA and the Contractor have made and entered into this Agreement as of the date first written above.

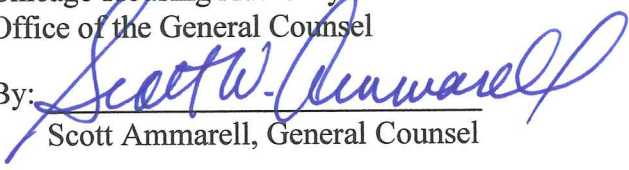
CHICAGO HOUSING AUTHORITY

By: 
Valerie Hawthorne-Berry, Director
Department of Procurement & Contracts

SKYTECH ENTERPRISES, LTD.

By: 
Asberry Rakestraw, President

Approved as to Form and Legality
Chicago Housing Authority
Office of the General Counsel

By: 
Scott Ammarell, General Counsel