

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

DELOITTE FINANCIAL ADVISORY SERVICES LLP

AND

THE CHICAGO HOUSING AUTHORITY

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PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter, "Agreement") is entered into as of this 1st day of February, 2016 (the "Effective Date") by and between the **CHICAGO HOUSING AUTHORITY** (the "CHA"), a municipal corporation organized under the Illinois Housing Authority Act 310 ILCS 10/1 et seq., with offices at 60 E. Van Buren St., Chicago, Illinois and **DELOITTE FINANCIAL ADVISORY SERVICES LLP** (the "Contractor"), a Delaware Limited Liability Partnership with offices at 111 South Wacker Drive, Chicago, Illinois 60606.

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.; 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; and

WHEREAS, the CHA released RFP Event No. 80-0_("RFP") on or about January 5, 2015; and

WHEREAS, the Contractor submitted its original Proposal (the "Proposal") on or about February 17, 2015 and thereafter submitted its Best and Final Proposal (which is attached hereto as Exhibit A-1), to the CHA indicating it is ready, willing and able to provide the services as set forth in the RFP; and

WHEREAS, the CHA and the Contractor desire to enter into the Agreement for the provision of the Services as set forth herein.

NOW THEREFORE, in consideration 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 incorporated by reference as if fully set forth herein.

Section 1.02 Definitions

"Contract" means the contract entered into between the CHA and the Contractor. It includes the Agreement, the General Conditions for Non-Construction Contracts (HUD Form 5370-C), the Certifications and Representations of Offerors – Non-Construction Contracts (HUD Form 5369-C), the Contractor's Affidavit and any other exhibits which have been specifically incorporated by reference in the Agreement.

ARTICLE 2. CONTRACTOR'S DUTIES AND RESPONSIBILITIES

Section 2.01 Services to be Performed

A. Scope of Work

From time to time during the term of this Agreement as the CHA, in its sole discretion, determines that it requires services of the nature described in Exhibit I, the CHA shall request such services from Contractor pursuant to and in accordance with separate Task Orders. Contractor, in its sole discretion, may agree to provide such services. Once executed by Contractor and the CHA, such Task Order shall be binding upon the parties thereto. Each Task Order shall specifically reference this Agreement and shall specify the details of the particular services to be performed under the Task Order (the "Services"). All rights and obligations of Contractor and the CHA hereunder shall be deemed to apply to such Task Order as if fully set forth therein. In the event of any conflict between the terms of this Agreement and the terms of any Task Order, the terms of this Agreement shall control. Notwithstanding the immediately preceding sentence, in the event that a Task Order expressly provides that certain provisions therein shall control over specified provisions of this Agreement, then, to the extent that such provisions of the Task Order conflict or are inconsistent with the specified provisions of this Agreement, such provisions of the Task Order shall control.

B. Section 3 and MBE/WBE Requirements

If applicable, unless waived by the CHA in writing, in its performance of the services under this Agreement, Contractor agrees to comply with the CHA's Minority Business Enterprise/Women's Business Enterprise Participation ("MBE/WBE") requirements and the CHA's Section 3 requirements as set forth in the Contractor's MBE/WBE Utilization Plan and Section 3 Utilization Plan, which will be provided per Task Order.

C. Deliverables

In performing the Services, the Contractor shall prepare and/or provide the deliverables expressly designated as "Deliverables" in the applicable Task Order, if any (hereinafter, collectively, "Deliverables").

Section 2.02 Performance Standards

The Contractor shall perform all Services required under this Agreement under the Standards for Consulting Services of the American Institute of Certified Public Accountants and 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. Furthermore, the Contractor shall perform the Services required by the Agreement in accordance with the terms and conditions of the applicable Task Order and this Agreement. In its performance of the Services, Contractor shall comply with any federal, state and local laws, statutes, applicable to Contractor's performance of the Services. The Contractor must at all times act consistent with the professional obligations assumed by it in entering into this Agreement. Specifically, all services shall be performed in accordance with applicable professional due care standards,

and in accordance with the terms and conditions of the applicable Task Order and this Agreement.

All Services which require the exercise of professional skills or judgment must be accomplished by professionals qualified in the applicable discipline and appropriately licensed, if required by law. The Contractor covenants with the CHA to furnish its professional expertise and judgment in performing the Services. Accordingly, the Contractor shall return all telephone calls and respond to all electronic mail on a timely basis.

Section 2.03 Key Personnel

Pasquale Nigro shall be responsible for supervising Contractor's personnel and directing the Services to be performed during the term of the Agreement. The Contractor retains the right to substitute key personnel with reasonable cause by giving written notice to the CHA, provided that the CHA shall have the right to approve such staff changes and said approval shall not be unreasonably withheld.

Section 2.04 Non-Discrimination

Contractor shall comply with all federal, state and local non-discrimination laws, rules, regulations and ordinances applicable to it in its performance of the Services including, but not limited to, The Civil Rights Act of 1964, 42 U.S.C. sec. 2000 et seq. (1989), as amended, and all regulations promulgated thereto. Contractor shall particularly remain in compliance at all times with: Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000 (e) note, as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1989); Rehabilitation Act of 1973, 29 U.S.C. sec. 793-794 (1988); Fair Housing Amendments Act, 42 U.S.C. Sec. 3601 et seq., (1988); Americans with Disabilities Act of 1990, 42 U.S.C. 12101 and 41 C.F.R. Part 60 et seq., (1990). Illinois Human Rights Act, 775 ILCS 5/1-101 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 section 750 Appendix A, which is attached hereto as Exhibit II and incorporated by reference herein; 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.

Section 2.05 Dissemination or Disclosure of Information

Neither party shall provide to the public any press releases or similar communication about this Agreement or its contents without the written approval of the other party.

Section 2.06 HUD's General Conditions for Non-Construction Contracts

HUD's General Conditions for Non-Construction Contracts (HUD form 5370-C (10/2006)) ("General Conditions"), are attached hereto as Exhibit V and incorporated by reference as if fully set forth herein. The Contractor agrees to fully comply with the General

Conditions. In the event of a conflict between the terms and conditions of the General Conditions and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control. Without limiting the immediately preceding sentence, the parties hereby agree that the following General Conditions are not applicable to this Agreement given the nature of the services to be provided hereunder and/or because the terms and conditions of the Agreement govern the topic addressed: Sections 2-5, Section 9, Section 12, Sections 15-18, and Sections 21-22.

Section 2.07 Ownership of Work Product, Documents, Records and Reports

- A. Except for any Contractor Technology contained therein, and subject to the terms and conditions contained herein, all Deliverables or other work product specifically generated and assembled for delivery to the CHA either in hard copy or by electronic media, pursuant to the applicable Task Order (hereinafter, "Work Product") shall become the property of the CHA and the Contractor will retain no rights therein. The Work Product is conclusively deemed by the parties as "works made for hire" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. §101 et seq. (hereinafter, "the Act"), and the CHA will be the copyright owner thereof and of all aspects, elements and components thereof in which copyright can subsist.

To the extent the Work Product does not qualify as "work made for hire," except for any Contractor Technology contained therein, and subject to the terms and conditions contained herein, Contractor hereby irrevocably grants, conveys, bargains, sells, assigns, transfers and delivers to the CHA, its successors and assigns, all right, title and interest in and to the copyrights and all U.S. and foreign copyright registrations, copyright applications and copyright renewals therefor, and other intangible, intellectual property rights in the Work Product, free and clear of any liens, claims or other encumbrances, to the fullest extent permitted by law. Contractor will execute assignments in the forms attached if requested by the CHA, without additional compensation. Contractor will make no use of the Work Product generated during the course of its work for the CHA during or after the term of this Agreement except to perform the Services under this Agreement.

"Contractor Technology" means all works of authorship, materials, information and other intellectual property created prior to or independently of the performance of the Services, or created by Contractor or its subcontractors as a tool for their use in performing the Services, plus any modifications or enhancements thereto and derivative works based thereon. To the extent any Contractor Materials are embedded in a Work Product, subject to the terms and conditions contained herein, Contractor grants to the CHA, a royalty-free, irrevocable, worldwide, nonexclusive license to use such Contractor Materials in connection with the CHA's internal use of the Work Product. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Materials.

The working papers created by Contractor during this engagement are, and shall remain, the property of Contractor. The CHA understands that the Contractor does not retain working papers indefinitely.

- B. All CHA-owned materials ("CHA Materials") provided to the Contractor in connection with the performance of the Contractor's Services under this Agreement shall be the property of the CHA.
- C. The Contractor shall deliver or cause to be delivered all Deliverables prepared for the CHA under a Task Order, to the CHA upon their completion in accordance with the requirements in the Task Order. In addition, Contractor shall return all CHA Materials upon completion of the applicable Task order.
- D. The Contractor shall maintain its books, records, documents, and other materials related to billing and payment for the performance of a Task Order for a period of three (3) years following the expiration or termination of such Task Order and after final payment has been made and all other pending matters are closed, and adopt accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred or anticipated to be incurred for or in connection with the performance of the Contractor's Services under such Task Order. The Contractor shall maintain its accounting system, books and records in a manner that complies with standard accounting principles, consistently applied throughout.
- E. The provisions of Section 2.07 shall survive the expiration or termination of the Agreement.
- F. The Contractor shall flow down the provisions of this Section 2.07 titled "Ownership of Work Product, Documents, Records and Reports" to its subcontractors at every tier.

Section 2.08 Audit Requirement

Upon reasonable advance written notice, during normal business hours, the CHA retains an irrevocable right to independently audit the Contractor's books and records pertaining to billing and payment under this Agreement and any Task Order. In the event any audit correctly reveals that Contractor collected more from the CHA than it was entitled to collect under a Task Order and such finding is not disputed by Contractor, the Contractor shall promptly refund the amount of any overages to the CHA. If the event any audit correctly reveals that Contractor collected less from the CHA than it was entitled to collect under any Task Order and such finding is not disputed by the CHA, the CHA shall promptly pay the amount of any undercharges to Contractor. The CHA may exercise such right no more than once per calendar year during the period within which Contractor is obligated to maintain such records under Section 2.07(D), above. The foregoing terms shall not be construed by either party to limit, restrict or otherwise affect or modify the ability of other competent governmental authorities, including for example, HUD, its Inspector General or the Comptroller General of the United States, to perform audits as and to the extent required by law.

Section 2.09 Confidentiality

The Contractor and the CHA both agree that all confidential information of one party (the "disclosing party"), including Deliverables, confidential reports, documents or information that is received by the other party (the "receiving party") pursuant to this Agreement

are subject to the confidentiality obligations in this Section 2.09 ("Confidential Information"). Further, the receiving party agrees that it shall not disclose such Confidential Information of the disclosing party to any individual or organization without the prior written approval of the CHA. The disclosing party hereby consent to the receiving party disclosing such Confidential Information: (i) to the extent required by law (including the Illinois Freedom of Information Act), regulation, judicial or administrative process (including by order of a court of competent jurisdiction or administrative agencies pursuant to a valid subpoena); (ii) as expressly permitted by this Agreement; (iii) to contractors, whether located within or outside of the United States, in connection with this Agreement or a Task Order, that have agreed to be bound by confidentiality obligations similar to those in this Section; (iv) in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining thereto; (v) to the extent such information is or becomes publicly available other than as a result of a disclosure in breach hereof, becomes available to the receiving party on a non-confidential basis from a source that the receiving party believes is not prohibited from disclosing such information to the receiving party, is already known by the receiving party without any obligation of confidentiality with respect thereto or is developed by the receiving party independently of any disclosures made to the receiving party hereunder. In the event the receiving party is presented with a valid *subpoena* regarding such Confidential Information in the receiving party's possession by reason of this Agreement, the receiving party must promptly give notice, where legally permitted to do so, to the disclosing party with the understanding that the disclosing party may elect to contest such process by any means available to it. The receiving party, however, is not obligated to withhold the delivery of such Confidential Information beyond the time ordered by the court or administrative agency, unless the subpoena or request is quashed prior to the required delivery date or the time to produce is otherwise extended. The Contractor agrees that Section 2.09 of the Agreement shall survive the termination of the Agreement.

The parties agree that the Services and Deliverables are Confidential Information of both parties, and the use and disclosure of the Services and Deliverables is subject to the above confidentiality obligations. Notwithstanding the provisions above, however, this Agreement shall not be construed by either party to limit, restrict or otherwise affect or modify any applicable provisions or requirements of the Illinois Freedom of Information Act.

Section 2.10 Subcontracts and Assignments

Unless otherwise provided for herein, neither party shall subcontract, assign otherwise delegate or otherwise transfer all or any part of its obligations under this Agreement or any part hereof without the prior written approval of the other party. The absence of such prior written approval shall void the attempted subcontracting, assignment, delegation or transfer and shall have no legal effect on the Services or this Agreement. The CHA hereby consents to Contractor assigning or subcontracting any portion of the Services to any affiliate or related entity. Notwithstanding the foregoing, Contractor shall be responsible to the CHA for the Services performed by such subcontractors to the same extent that Contractor would be responsible hereunder to the CHA if Contractor had performed such Services.

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 assignments of any contract funds, either in whole or in part, or any interest therein, which shall be due or to become due to the Contractor, without the prior written approval of CHA shall be void and of no legal effect. The CHA expressly

reserves the right to assign or otherwise transfer all or any part of its rights or interests hereunder.

Section 2.11 Intentionally Left Blank

Section 2.12 Religious Activities

In connection with its performance of the Services to be provided under this Agreement, the Contractor agrees:

A. That it shall not discriminate against any person on the basis of religion and shall not limit employment or give preference in employment to persons on the basis of religion; and

B. That it shall not discriminate when rendering the Services hereunder against any person on the basis of religion and shall not limit such Services or give preference to persons on the basis of religion.

Section 2.13 Drug-Free Workplace

The Contractor shall establish procedures and policies to promote a "Drug-Free Workplace." Further, the Contractor shall notify all 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. Further, the Contractor shall notify the CHA if it becomes aware that any of its employees performing Services under this Agreement are convicted of a criminal drug offense in the workplace no later than ten (10) days after such conviction.

Section 2.14 Force Majeure

Notwithstanding any other provision in this Agreement, the Contractor shall not be liable or held responsible for any failure to perform or for delays in performing its obligation under the Agreement, including but not limited to, the scope of services set forth hereunder which result from circumstance or causes beyond Contractor's reasonable control, including without

limitation, fire or casualty, acts of God, strikes or labor disputes, war or violence, or any law, order or requirement of any government agency or authority.

Section 2.15 Intentionally Left Blank

Section 2.16 Compliance with CHA Policies

The Contractor shall comply with the following CHA policies attached as Exhibit B to this Agreement, to the extent applicable to Contractor in its performance of the Services:

- Ethics Policy
- CHA Travel Guidelines
- General Business Expense Policy

ARTICLE 3. TERM OF AGREEMENT

Section 3.01 Term of Agreement; Term of a Task Order

The term of this Agreement is for a base term of two (2) years commencing on the Effective Date and continuing through January 31, 2018, or until the Agreement is terminated in accordance with its terms, whichever occurs first. The term of any Task Order executed hereunder will be as set forth in the applicable Task Order.

Section 3.02 Contract Extension Option

The CHA, at its sole discretion, may extend this Agreement for one (1) additional 1-year option period, subject to CHA Board approval. Any extension shall be under the same terms and conditions as this original Agreement. The Agreement shall be modified to reflect the time extension in accordance with the provisions of Section 9.03 of this Agreement.

Section 3.03 Timeliness of Performance

The Contractor shall use its diligent efforts to provide the Services and Deliverables within the time limits required under the applicable Task Order, if any, or from time to time as otherwise agreed in advance in writing by the parties. The Contractor and the CHA acknowledge that deadlines for certain Services provided for in a Task Order may be dictated by the requirements of agencies or events outside the control of the CHA and the Contractor. Contractor shall meet any such deadlines expressly identified as "Firm Performance Dates" in the applicable Task Order. All other performance dates contained in any Task Order shall be regarded only as estimates. Therefore, except to the extent that the Contractor's inability to meet the deadlines is caused by the delay due to the CHA, by acts of God or other events outside the control of the Contractor, failure to meet the deadline expressly identified as "Firm Performance Dates" in the applicable Task Order may be considered a material breach of the applicable Task Order.

ARTICLE 4. COMPENSATION AND PAYMENT

Section 4.01 Compensation

The CHA shall pay the Contractor for the performance of the Services and expenses incurred in accordance with the applicable Task Order. The professional fees incurred under any Task Order shall be based on the firm fixed hourly rates applicable to the respective service areas and personnel type set forth in the Contractor's Best and Final Fee Proposal, attached and incorporated herein by reference as Exhibit A-1. The total amount of fees across all Task Orders shall not exceed Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) (the "Not to Exceed Cap"), which amount is inclusive of all reimbursable expenses, and there will be no additional fees allowable or paid under this Agreement without an express written amendment to the Agreement authorizing said additional work and increasing the Not to Exceed Cap. The CHA and Contractor acknowledge and agree that Contractor has no obligation to perform, and the CHA has no obligation to pay for, Services that would

result in fees in excess of the Not to Exceed Cap.

Section 4.02 Payment

The Contractor shall submit invoices to the CHA as set forth in the Task Order. Each invoice shall contain back-up information reasonably sufficient to substantiate the charges, including but not limited to, a brief description of the services provided during the invoice period, and such other information as mutually agreed by the parties. The CHA shall not be required to give approval or make payments pursuant to an improperly submitted invoice.

CHA will make payment for services rendered under a Task Order within thirty (30) days after receipt and approval of each invoice submitted. All invoices shall be reviewed by the CHA. An invoice (or portion thereof) that is not disputed in good faith in accordance with this Section within thirty (30) days of the CHA's receipt of the applicable invoice shall be deemed approved. If the CHA disputes in good faith all or any portion of any invoice, it shall notify the Contractor of its objection in writing within thirty (30) days of the CHA's receipt of the applicable invoice. Notwithstanding the foregoing, the CHA shall pay the undisputed portion of any invoice. This Agreement shall be subject to the provisions of the State of Illinois' Local Government Prompt Payment Act (50 ILCS 505, et seq),

Section 4.03 Non-Appropriation

Funding for this Agreement is subject to: (1) availability of federal funds from HUD, and (2) the approval of funding by the CHA's Board of Commissioners. Furthermore, in the event that no funds or insufficient funds are appropriated and budgeted or appropriated funds are rescinded by Congress in any fiscal period of the term of this Agreement for payments to be made under this Agreement, then the CHA shall promptly notify the Contractor of such occurrence and this Agreement shall terminate on the date set forth in the notice, which shall not be earlier than the date on which Contractor receives such notice. CHA shall pay for all Services performed by Contractor through the effective date of termination of the applicable Task Order.

ARTICLE 5. DISPUTES

Section 5.01 Disputes

In the event of a dispute between the CHA and the Contractor involving this Agreement both parties will attempt to negotiate a resolution. Subject to Contractor's termination rights hereunder, if the parties cannot resolve such dispute through negotiation, either party shall, unless otherwise set forth herein, submit the dispute in writing to the CHA's Director of Procurement and Contracts in accordance with the provision set forth in Paragraph No. 7 of the HUD General Conditions for Non-Construction Contracts (Exhibit V).

ARTICLE 6. RISK MANAGEMENT

Section 6.01 Insurance

The Contractor agrees to comply with and meet or exceed all of the CHA's insurance requirements that are set forth in Exhibit VI, which is attached hereto and incorporated by reference herein as if fully set forth herein.

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, costs, charges, professional fees, including reasonable attorney fees, or other expenses or liabilities of every kind, nature and character arising out of 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"):

- (a) attributable to third party claims solely for personal injury, death, physical damage to real or tangible property, to the extent directly and proximately caused by the negligence or intentional misconduct of Consultant while engaged in the performance of the Services, or
- (b) brought against the CHA by any personnel of Contractor performing Services for employment benefits or employment compensation, in each case for which Contractor is responsible and has failed to pay, except to the extent that such claim results from acts or omissions of the CHA.

As a condition to the foregoing indemnification obligations, the indemnified party shall provide the Contractor with prompt notice of any Claim for which indemnification shall be sought hereunder and shall cooperate in all reasonable respects with the Contractor in connection with any such Claim. The indemnifying party shall be entitled to control the handling of any such Claim and to defend or settle any such Claim, in its sole discretion, with counsel of its own choosing. The Contractor shall be entitled to investigate, handle, respond to, provide defense for and defend or settle all suits, in its sole discretion, with counsel of its own choosing, for any such Claims at its sole expense.

The CHA shall have the right, at Contractor's expense, to participate in the defense of any suit, at its own expenses, without relieving the Contractor of any of its obligations under this indemnity provision. 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.

Section 6.03 Limitation on Liability

The Contractor, its subsidiaries and subcontractors, and its personnel shall not be liable

to the other party for any claims, liabilities, or expenses relating to this Agreement, any Task Order, or the Services ("Claims") for an aggregate amount in excess of 1.5 times fees for such Task Order, except to the extent resulting from its recklessness, bad faith or intentional misconduct. In no event shall either party, its subsidiaries or subcontractors, or their respective personnel be liable to the other for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense, relating to this Agreement, any Task Order, or the Services. The provisions of this Section 6.03 shall not apply to any Claim for which one party has an obligation to indemnify the other or to any Claim for breach of Section 2.07. In circumstances where any limitation on damages or indemnification provision hereunder is unavailable, the aggregate liability of each party, its subsidiaries and subcontractors, and their respective personnel for any Claim shall not exceed an amount that is proportional to the relative fault that their conduct bears to all other conduct giving rise to such Claim.

ARTICLE 7. EVENTS OF DEFAULT, REMEDIES, TERMINATION, RIGHT TO OFFSET, SUSPENSION

Section 7.01 Events of Default Defined

An "event of default" means a material breach by one party of its obligations under this Agreement or a Task Order.

Section 7.02 Remedies

The occurrence of any event of default which (i) the breaching party fails to cure within thirty (30) calendar days after receipt of written notice given by the non-breaching party in accordance with the terms of this Agreement and specifying the event of default or, (ii) if such event of default cannot be reasonably cured within thirty (30) calendar days after notice, the breaching party has failed to commence and continue diligent efforts to cure such default within such thirty (30) day period, the non-breaching may, at its sole option, declare the breaching party in default. Written notification of the default, and any intention of the non-breaching party to terminate the Agreement or any Task Order, shall be provided to the Contractor and effective upon the breaching party's receipt of such notice pursuant to Article 10. Upon the giving of such notice, the non-breaching party may invoke any or all of the following remedies:

- A. The right to terminate the affected Task Order(s) at a time specified by the non-breaching party as part of the notification of default.
- B. The right to pursue any and all remedies, legal and/or equitable, available to the non-breaching party.
- C. In the case of a breach by Contractor, the CHA's right to:
 - withhold all or any part of Contractor's compensation hereunder with respect to terminated Services not performed prior to the termination of this Agreement.
 - deem Contractor non-responsible in future contracts to be awarded by

the CHA.

- take over and complete the terminated Services or any part thereof for itself.

If the non-breaching party considers it to be in its best interests, it may elect not to declare default or to terminate the Agreement or affected Task Order (s) hereunder. The parties acknowledge that the preceding sentence is solely for the benefit of the non-breaching party and that if the non-breaching party elects not to terminate the Agreement or a Task Order if and as permitted under this Section, the breaching party shall in no way be relieved of any of its continued responsibilities, duties or obligations under this Agreement or the applicable Task Order nor shall the non-breaching party waive or relinquish any of its rights.

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 waiver of any right or remedy under this Agreement or any Task Order with respect to any occurrence or event on one occasion shall be deemed a waiver of such right or remedy with respect to such occurrence or event on any other occasion.

Section 7.03 Termination for Convenience

The CHA may terminate this Agreement, and all of the Services to be performed under it, for convenience at any time by written notice from the CHA to Contractor when the Agreement may be deemed to be no longer in the best interests of the CHA. If the CHA elects to terminate the Agreement in full, all Services to be performed hereunder shall cease effective ten (10) business days after the date written notice has been provided. The Contractor shall continue to render the services until the effective date of termination. No cost incurred by the Contractor after the effective date of termination shall be allowed. The CHA shall pay to Contractor in accordance with the terms of this Agreement for Services rendered through the effective date of termination.

Section 7.04 Suspension

The CHA may at any time request in writing that the Contractor suspend for up to fifteen (15) days 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 a force majeure event. No costs incurred after the effective date of such suspension shall be allowed, provided that the CHA shall compensate Contractor for any unrecoverable costs and expenses incurred by Contractor as a result of, and for any delays caused by, such suspension and Contractor shall not be responsible for any such delays. The Contractor shall resume its performance of such Services upon the expiration of the suspension period or within ten (10) calendar days after Contractor's receipt of written notice by the CHA (Director of Procurement and Contracts) specifying an earlier resumption date. The CHA agrees that Contractor shall be under no obligation to resume Services using the same Contractor personnel who were providing the Services as of the start of the suspension period.

Section 7.05 Remedy for Suspension

The Contractor's sole and exclusive remedy for a suspension of work by the CHA pursuant to Section 7.04, above, is an extension of time equal to the duration of the suspension to allow the Contractor to perform its obligation under this Agreement.

Section 7.06 Right to Offset

To the extent permitted by applicable law:

- A. In connection with performance under the Agreement, the CHA may offset any credits due the CHA pursuant to this Agreement or any overpayments made by the CHA under the Agreement and not disputed in good faith by Contractor.

The CHA may offset these amounts by use of any payment due for Services completed before the CHA terminated the Agreement or before the CHA exercised any remedies. If the amount offset is insufficient to cover such amounts, the Contractor shall be liable for and must promptly remit to the CHA the balance within 30 days after receipt of CHA's written demand for it. The right to offset is in addition to and not a limitation of any other remedies available to the CHA.

ARTICLE 8. WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS

Section 8.01 Warranties, Representations and Covenants

In connection with the execution of this Agreement, the Contractor represents to the CHA that, to the best knowledge of Contractor's lead engagement partner as of the Effective Date of this Agreement:

- A. That it is financially solvent; and that it and each of its employees or agents of any tier who are assigned to provide Services under this Agreement are competent to perform the Services required under this Agreement; and that Contractor is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated herein.
- B. That no officer, agent or employee of the CHA is employed by the Contractor or has a financial interest in this Agreement or the compensation to be paid hereunder, except as may be permitted in writing by the CHA and HUD, and that no payment, gratuity or offer of employment shall be made in connection with this Agreement by or on behalf of the Contractor to any employee of the CHA; and the Contractor further acknowledges that any agreement entered into, negotiated or performed in violation of any of the provisions set forth herein shall be voidable as to the CHA.
- C. That Contractor and its subcontractors, if any, are not in default at the time of the execution of this Agreement, or deemed by the CHA's Director of Procurement and Contracts to have, within the last five (5) years, been found to be in default

on any contract awarded by the CHA.

- D That, 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 CHA, its officials, officers, agents, or employees, has induced the Contractor to enter into this Agreement or has been relied upon by the Contractor.
- E 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;
- F That the Contractor acknowledges that the CHA, in its selection of the Contractor to perform the Services hereunder, 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 consent of the CHA;
- G. That the Contractor and, to the best of its knowledge, its subcontractors are not in violation of the provisions of 18 U.S.C. § 666 (a)(2) and other Federal criminal laws applicable to Contractor as a party to a public contract funded with federal government funds, the Illinois Criminal Code, 720 ILCS 5/33E-1 et seq. (1989), as amended; and during the term of the Agreement will not violate the provisions of such laws.
- H. That information included in the certifications submitted by Contractor as part of its Proposal, if false, may be cause for termination of this Agreement.
- I. That the Contractor is a duly organized and validly existing corporation under the laws of the State of Delaware and has and will continue to have at all times during the term of this Agreement, all licenses necessary to render the Services required hereunder.
- J. That the Contractor has the power and authority to enter into and perform all of its obligations under this Agreement, and that this Agreement, when executed will constitute the duly authorized, valid and legally binding obligation of the Contractor.
- K. CONTRACTOR EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 8.02 Intentionally omitted.

Section 8.03 Business Documents and Contractor's Affidavit

The Contractor shall 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's Affidavit, Contractor's Certifications and Representations of Offerors – Non-Construction Contracts (HUD Form 5369-C) and

Equal Opportunity Certificate are attached hereto as Exhibit VII and incorporated by reference as if fully set forth herein. The Contractor, during the term of this Agreement, shall promptly notify the CHA of any change in circumstances impacting Contractor's ongoing compliance with the Contractor's Affidavit, Contractor's Certifications and Representations of Offerors -Non-Construction Contracts (HUD Form 5369-C) and Equal Opportunity Certificate.

Section 8.04 Conflict of Interest; Conflict with Laws or Independence Rules

- A. 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.
- B. The Contractor represents that, to the actual knowledge of Contractor's engagement leader for this Agreement, it and its employees, or sub-contractors, presently have no interest that would prevent Contractor from performing the Services hereunder. The Contractor further covenants that during the performance of this Agreement, no person having any such interest shall be employed. Contractor agrees that if the CHA determines that any of Contractor's services for others conflict with the Services that the Contractor is to render for the CHA under this Agreement, the CHA may terminate this Agreement for convenience pursuant to Section 7.03.
- C. 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 hereunder, 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.
- D. Furthermore, the Contractor represents that it currently is and will remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal year 1990, 31 U.S.C. Subsection 1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff. (1989), as amended.
- E. Contractor may terminate this Agreement, any Task Order or performance of any part of the Services upon written notice to the CHA if Contractor reasonably determines that (i) a governmental, regulatory or professional entity (including, without limitation, the American Institute of Certified Public Accountants, the Public Company

Accounting Oversight Board or the Securities and Exchange Commission) or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation or decision the result of which would render Contractor's performance of any part of the Services illegal or otherwise unlawful or in conflict with independence or professional rules, or (ii) circumstances change such that the Contractor's performance of any part of the Services would be illegal or otherwise unlawful or in conflict with independence or professional rules. Contractor shall endeavor to provide reasonable advance notice to the CHA of a termination pursuant to the preceding sentence, and during any such notice period, reasonably cooperate with the CHA in support of the transition of any impacted services.

Section 8.05 Non-Liability of Individuals

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

Section 8.06 Independent Contractor

The Contractor and the CHA recognize that Contractor is an independent contractor and not an employee, agent, partner, joint venturer, covenantor, or representative of the CHA. Contractor and its employees, representatives, and agents shall at all times represent and disclose that they are independent contractors of the CHA and shall not have the power to bind the CHA. The CHA shall not be obligated to withhold any funds from Contractor for tax or other governmental purposes, with respect to its employees, agents, representative or subcontractors. Contractor and its employees, representatives, and agents shall not be entitled to receive any employment benefits offered to employees of the CHA including workers' compensation insurance coverage.

ARTICLE 9. GENERAL CONDITIONS

Section 9.01 Entire Agreement

This Agreement and the Exhibits attached hereto, together with the pertinent Task Order(s), 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. In the event of a conflict between the Agreement and any Exhibits that have been incorporated by reference, the terms of the Agreement shall control.

Section 9.02 Counterparts

This Agreement may be executed in several identical counterparts, each of which shall be deemed an original and 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 CEO of the CHA or his/her respective designees. The CHA shall incur no liability for (and Contractor shall not be obligated to perform) additional services outside the scope of the Services without a written amendment to the applicable Task Order 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 and Regulations

The Contractor shall at all times observe and comply with all applicable laws, ordinances, rules, regulation and executive orders of the federal, state and local government, now existing or hereinafter in effect, which are applicable to Contractor in its performance of the Services under this Agreement, including but not limited to Section 6 of the Housing Act of 1937, 42 U.S.C. §1437, the Privacy Act of 1974, 5 U.S.C. §552(a), The Freedom of Information Act ("FOIA"), 5 U.S.C. §552, and Section 208 of the E-Government Act, and 24 CFR Part 5, all other applicable HUD regulations, the Uniform Administrative Requirements contained in 24 C.F.R. Section 85.1 *et seq.*, (1993), as amended; Title VI of the Civil Rights Act of 1967 (42 U.S.C. 2000d *et seq.*); Fair Housing Act (42 U.S.C. 3601-20 *et seq.*); Executive Order 11063, as amended by Executive Order 12259; Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*); Rehabilitation Act of 1973 (29 U.S.C. 794); Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5); Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*); National Environmental Policy Act of 1969 (24 C.F.R. Part 58); Clean Air Act (42 U.S.C. § 7401/*et seq.*); Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.*), as amended; Executive Order 11246, as amended by Executive Orders 12086 and 11375; Executive Order 12372; Copeland "Anti-Kickback" Act (18 U.S.C. § 874 and 40 U.S.C. § 276); Byrd "Anti-Lobbying" Amendment (31 U.S.C. § 1352); and Debarment and Suspension (Executive Orders 12549 and 12689), to the extent applicable to Contractor it is performance of the Services. 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; and the Mandatory Standards and Policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with Energy Policy and Conservation Act (Pub. L 94-163, 89 Stat. 871), to the extent applicable to Contractor in its performance of the Services.

Section 9.05 Intentionally Omitted.

Section 9.06 Severability

If any provisions of this Agreement or any Task Order shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any 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, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permitted the intent of Contractor and the CHA set forth in this Agreement or the applicable Task Order. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement or a Task Order shall not affect the remaining portions of this Agreement or any part thereof.

Section 9.07 Jurisdiction

This Agreement and each Task Order 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, any Task Order or the Services. 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 involved in the provision of the Services. 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 9.08 Interpretation

Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions thereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the

plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions hereof and thereof. 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.

Section 9.09 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 legal representatives, successors, transferees and assigns.

Section 9.10 Cooperation

The Contractor agrees at all times to provide reasonable cooperation to the CHA. If this Agreement is terminated for any reason, or if it is to expire on its own terms,

then prior to the effective date of such termination or expiration and at the hourly rates set forth in the applicable Task Order, the Contractor shall provide reasonable cooperation in the transition to another contractor, and shall comply with the reasonable requests and requirements of the CHA in connection with the termination or expiration of this Agreement.

Section 9.11 Waiver

Whenever under this Agreement or any Task Order a party, by a proper authority, expressly waives the other party's performance in any respect or expressly waives a requirement or condition to the other party'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 the Agreement regardless of the number of times the waiving party may have waived the performance of a requirement or condition.

Section 9.12 Flow - Down Provisions

The Contractor shall provide a copy of the relevant portions of this Agreement to its subcontractors.

Section 9.13 Survival

All provisions which are intended by their nature to survive performance of the Services shall survive such performance, or the expiration or termination of this Agreement or the applicable Task Order, whether or not such provisions include an express statement to such effect.

ARTICLE 10. COMMUNICATION AND NOTICES

Section 10.01 Communication Between the Parties

All verbal and written communication, including required reports and submissions between the Contractor and the CHA, but excluding notices (which shall be governed by Section 10.02) shall be through Elissa Rhee Lee, CHA Office of Inspector General, 60 Van Buren St., Chicago, IL 60605 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 mailed by certified mail, return receipt requested, postage prepaid to:

Deloitte & Touche LLP
1919 N Lynn Street
Arlington, VA 22209

Copy to

Deloitte LLP
30 Rockefeller Plaza
New York, New York 10112-0015

Attention: Pasquale Nigro

Attention: Office of General
Counsel

Notices sent to the CHA shall be mailed by certified mail, return receipt requested,
postage prepaid to:

Chicago Housing Authority
60 E. Van Buren St., 12th Floor
Chicago, Illinois 60605
Attention: Chief Executive Officer

Copy to Chicago Housing Authority
60 E. Van Buren St., 12th Floor
Chicago, Illinois 60605
Attention: Chief Legal Officer

Notices are effective upon receipt. A party may change its address for notice by giving prior
written notice of the new address in conformity with the foregoing and the date upon which
such new address will become effective.

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.; regulations promulgated by HUD, and the State Housing
Authorities Act, 310 ILCS 10/1 et seq., as amended, and other applicable laws, regulations
and ordinances.

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 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 executed this
Agreement as of the date first written above.


CHICAGO HOUSING AUTHORITY

By: 
Dionna Brookens
Deputy Chief Procurement Director

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

By: 
Title: Chief Legal Officer

DELOITTE FINANCIAL ADVISORY SERVICES, LLP

By: 
Print Name Pasquale J. Nigro
Title Director