

January 1, 2020 – December 31, 2020

FUNDING AGREEMENT

BETWEEN

CENTRAL ADVISORY COUNCIL

AND

CHICAGO HOUSING AUTHORITY

Table of Contents

ARTICLE 1. INCORPORATION OF RECITALS AND DEFINITIONS	2
Section 1.01 Incorporation of Recitals	2
Section 1.02 Definitions	2
ARTICLE 2. CENTRAL ADVISORY COUNCIL (DUTIES AND RESPONSIBILITIES)	3
Section 2.01 Recognition	3
Section 2.02 Memorandum of Understanding	3
Section 2.03 CAC Administrative Requirements	3
Section 2.04 Financial Responsibilities and Record Management	4
Section 2.05 Maintaining Records, Right to Audit, Inspect and Copy	4
Section 2.06 Confidentiality	4
Section 2.07 Compliance with Federal, State and Local Laws and Regulations	5
Section 2.08 Compliance with CHA Policies	5
Section 2.09 CHA Compliance Review	5
Section 2.10 Procurement	5
Section 2.11 License to Use CHA Premises	6
Section 2.12 Inventory and Inspection	6
Section 2.13 CHA Inspector General	6
Section 2.14 Non-Discrimination	6
Section 2.15 Religious Activities	7
Section 2.16 CAC/LAC Supervision Expectations and Responsibilities	7
Section 2.17 Elections	8
ARTICLE 3. TERM	8
ARTICLE 4. FUNDING	8
Section 4.01 Funding	8
Section 4.02 Payment	9
Section 4.03 Travel Reimbursement Procedures	9
Section 4.04 Bank Accounts	10
Section 4.05 Funding	11
ARTICLE 5. DISPUTES	11
ARTICLE 6. RISK MANAGEMENT	11
Section 6.01 Insurance	11
Section 6.02 Indemnification	12
ARTICLE 7. EVENTS OF DEFAULT, REMEDIES AND TERMINATION	12
Section 7.01 Events of Default Defined	12

AGREEMENT

THIS FUNDING AGREEMENT ("Agreement") is made and entered into as of the 1st day of January 2020 (the "Effective Date") by and between the **CHICAGO HOUSING AUTHORITY** ("CHA"), an Illinois municipal corporation (hereinafter referred to as the "CHA"), a public housing authority as defined in the United States Housing Act of 1937 (42 U.S.C. 1401 et seq.), located at 60 E. Van Buren, Chicago, Illinois 60605 and the **CENTRAL ADVISORY COUNCIL** (hereinafter referred to as the "CAC"), a public housing jurisdiction-wide resident council as defined in 24 C.F.R. §964.105 located at 243 E. 32nd Street, Chicago, Illinois, 60616, and is pursuant to 24 CFR §964.150.

RECITALS

WHEREAS, CHA is engaged in the development and operation of safe, decent and sanitary low-income housing in and throughout the City of Chicago 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 (hereinafter referred to as "HUD"); and the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., as amended, and other applicable laws, regulations and ordinances; and

WHEREAS, CAC was organized to serve as the duly elected jurisdiction-wide resident council to CHA on all matters vital to the interest of the Residents living in CHA's family and senior housing Developments or Residential Properties;

WHEREAS, CHA is supportive of CAC in its efforts to increase Resident participation and involvement in the family and senior housing Developments or Residential Properties;

WHEREAS, CHA and CAC do mutually agree to undertake a commitment for cooperative action to provide decent, safe, sanitary and secure housing and a suitable living environment for residents within the family and senior public housing Developments or Residential Properties; and

WHEREAS, the purpose of the Agreement, in accordance with 24 CFR 964.150(b)(3), is to set forth the procedures, general activities, and overall format for CHA's funding and reimbursement of expenses incurred by the CAC during the term of the Agreement.

NOW THEREFORE, for and in consideration of the terms, conditions, covenants and amounts herein set forth, CHA and CAC do hereby agree as follows:

Section 7.02 Remedies.....	12
ARTICLE 8. WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS.....	13
Section 8.01 Warranties and Representations for CAC.....	13
Section 8.02 Warranties and Representations for CHA.....	13
Section 8.03 Lobbying Certifications.....	14
Section 8.04 Waiver	14
Section 8.05 Delays and Extensions.....	15
ARTICLE 9. GENERAL CONDITIONS	15
Section 9.01 Entire Contract	15
Section 9.02 Independent Contractor	15
Section 9.03 Execution.....	15
Section 9.04 Governing Law	15
Section 9.05 Rules of Interpretation.....	15
Section 9.06 Severability.....	15
ARTICLE 10. APPROVAL AND NOTICES	16
ARTICLE 11. AUTHORITY	16
Section 11.01 CHA's Authority	17
Section 11.02 CAC's Authority	17

EXHIBITS

- A. CHA Policies
- B. License Agreement
- C. Funding Agreement Budget
- D. Equal Employment Opportunity Clause
- E. Insurance Requirements

ARTICLE 1. INCORPORATION OF RECITALS AND DEFINITIONS

Section 1.01 Incorporation of Recitals

The Recitals set forth above are incorporated by reference herein.

Section 1.02 Definitions

Words and phrases shall be defined according to their ordinary usage and meaning except as otherwise specifically defined in this Section or as changed by applicable laws and/or rules or regulations.

- A. "Annual Contributions Contracts" ("ACC") means the contract between HUD and CHA under which HUD agrees to provide funds to CHA for to manage the Developments and CHA agrees to comply with HUD requirements for the operation and management of the Developments;
- B. "CAC" means the Central Advisory Council which is the jurisdiction wide council for all residents of CHA family and senior Developments and Residential Properties; CAC is a Not for Profit entity governed by all HUD rules and regulations for activities related to this Agreement.
- C. "CHA Policies" currently in effect at the initial term of the Agreement and any amendments to the Policies that take effect during the term of the Agreement include, but are not limited to CHA's Ethics Policy, as amended, and the Community Space Policy, as amended, which are attached hereto as Exhibit A.
- D. "Contract" means CAC's contracts funded using CHA funds provided to CAC through this Agreement.
- E. "Developments or Residential Properties" means CHA Public Housing Developments and Residential Properties served by CAC, excluding mixed-income/mixed-finance properties of CHA;
- F. "Effective Date" means January 1, 2020;
- G. "Fiscal Officer" means the Chief Financial Officer of CHA;
- H. "Funding Agreement Budget" or "Budget" means the amount of money available for the period from the Effective Date through December 31, 2020, totaling \$1,020,530, and as set forth in the Funding Agreement Budget, which is attached hereto as Exhibit C and incorporated by reference herein;
- I. "HUD Regulations" means the provisions of 24 C.F.R. 1 et seq., including Part 964, and any other regulations applicable to public housing;

- J. "LAC" means Local Advisory Council, which is a duly elected resident council for a CHA Development or Residential Property;
- K. "Resident" means any individual who resides in Developments or Residential Properties and whose name appears on the lease as either the lessee or authorized household member residing in the residential unit covered by the lease.

ARTICLE 2. CENTRAL ADVISORY COUNCIL (DUTIES AND RESPONSIBILITIES)

Section 2.01 Recognition

CHA recognizes CAC as (1) the jurisdiction-wide resident council for public housing which advises CHA on authority-wide Resident policies and issues, including, but not limited to such matters as standards of eligibility for initial and continued occupancy; standards of tenant conduct and provisions for the enforcement of said standards; regulations and policies relating to adequate maintenance, security, recreational and educational facilities; and (2) the representative of such LACs whose concerns are not jurisdiction-wide tenant issues, provided, however, that such LAC shall have requested in writing that CAC represent the LAC on the matter in question.

Pursuant to HUD approval, the CHA may operate select properties and units under the Component 1 of the Rental Assistance Demonstration Program (RAD), a program developed by HUD that seeks to preserve and protect public and affordable housing. Under RAD, properties are funded through a long-term Housing Assistance Payment (HAP) contract under Section 8 of the U.S. Housing Act of 1937, as opposed to capital and operating subsidy under Section 9, which funds traditional public housing. Upon the CHA's conversion of properties and units to RAD, CHA will continue to recognize duly elected resident organizations of such properties and units in accordance with CHA's Moving to Work (MTW) agreement and practices related to elections, use of CHA's premises, funding levels, and stipends as specified in the funding agreement executed by the CHA with the Central Advisory Council.

Section 2.02 Memorandum of Understanding

CHA and CAC agree to work in partnership on matters to improve the quality of life and general satisfaction of CHA Residents.

Section 2.03 CAC Administrative Requirements

The CAC shall provide CHA with financial statements annually audited by a licensed independent certified public accountant ("CPA"), selected by CAC, using established Generally Accepted Auditing Standards ("GAAS") in accordance with OMB Circular A-133, Audit Standards and other applicable federal, state regulatory requirements. A copy of each audit must be forwarded to CHA and HUD within thirty (30) days of issuance by the CPA. CAC shall comply with the requirements of OMB Circular A-110, Uniform Administrative Requirements; and 2 CFR Part 230, Cost Principles for Nonprofit Organizations as applicable for the expenditure of all funds provided to CAC under this Agreement. CAC shall also provide CHA copies of any auditor's

comments with respect to the Annual Audit and a statement of curative actions taken by CAC in response thereto.

Section 2.04 Financial Responsibilities and Record Management

CAC shall create and keep all accounts, ledgers and reports according to a fiscal year which begins on the 1st day of January. CAC shall establish and maintain complete and accurate records of all financial management functions performed by CAC and meet the minimum standards of the Standards for Financial Management Systems, set forth in OMB Circular A-110 and other applicable federal regulatory requirements. The records must be maintained in a way that will:

- A. Provide an effective system of internal control;
- B. Provide budgetary control over CAC's budget;
- C. Provide accounting information and financial reports to CHA in a format compatible with CHA's accounting system, and within the time frames prescribed by CHA;
- D. Permit a timely and effective audit; and
- E. The above stated standards shall apply to any funds that CHA provides to CAC in addition to the funds reflected in the Budget.

Section 2.05 Maintaining Records. Right to Audit. Inspect and Copy

During the term of this Agreement and for an additional period until final payment under this Agreement, and all other pending matters are closed, CAC shall keep and maintain separate, true, accurate and complete books of account including, but not limited to, accounts, files, vouchers, receipts and other books and records showing in detail all receipts and all expenses and charges incurred under this Agreement ("Books and Records"). CAC shall keep and retain its Books and Records relating to its activities and expenditures, including, but not limited to, records for contracted vendors and stipend payments to CAC members, for a period of at least five (5) years from the termination of this Agreement or such additional time as may be required by CHA, HUD or applicable law. Any duly authorized representative of HUD, CHA or the Comptroller General of the United States shall have access to and the right to audit, inspect, copy, and examine all such Books and Records and other related documents. CAC will maintain its Books and Records at the offices of CAC located at CAC address first set forth above, or at such other location as is approved by CHA in writing.

Section 2.06 Confidentiality

CAC and the LACs shall maintain the confidentiality of Residents' information, including any documentation specifying or setting forth a Resident's problem/issue and the resulting resolution of such problem/issue. Such confidential Resident problems/issues and resolution(s) thereof shall not be discussed in public forums by CAC or LAC members without the written consent of the Resident.

Section 2.07 Compliance with Federal, State and Local Laws and Regulations

CAC shall at all times comply with all applicable Federal, State and local laws and regulations, particularly those Federal regulations affecting Public Housing. In addition, CAC 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 2.08 Compliance with CHA Policies

CAC shall at all times comply with all applicable CHA Policies in effect at the initial term of the agreement and any amendments to the policies that take effect during the term of the agreement including, but not limited to those policies that are set forth in Section 1.02.

Section 2.09 CHA Compliance Review

In accordance with and subject to applicable HUD regulations, CHA may monitor and review annually CAC's activities for compliance in accordance with the requirements of HUD regulations at 24 CFR Part 964 and all applicable requirements of Federal, State and local law, and the requirements of this Agreement. CHA's monitoring and review shall be limited to costs and expenses which are funded under this Agreement and activities as described herein. CHA may take remedial action as appropriate to enforce CAC's required obligations and duties under the Funding Agreement or as required by HUD regulations.

Failure of CAC to comply with the criteria below may be cause for CHA to require CAC to produce and submit a written plan for compliance to an acceptable level within a reasonable time. Failure of CAC to comply within the time period set forth in the written plan may result in CHA terminating the Agreement. The activities of CAC in carrying out its functions may be evaluated by CHA in accordance with the following:

- A. Prudent financial management in accordance with HUD regulations and generally accepted accounting principles, and applicable provisions of this Agreement.
- B. Procurement of goods and services completed in accordance with HUD regulations and applicable provisions of this Agreement.
- C. Compliance with applicable Federal, State and local requirements.

Section 2.10 Procurement

- A. CAC shall procure all goods and services required to carry out its functions in the most efficient and economical manner and in compliance with the provisions of all applicable Federal, State and local laws, particularly 2 C.F.R. § 200.317 et al, under procedures suitable to, and consistent with, the requirements of the HUD Procurement Handbook No. 7460.8 REV2.

- B. CAC shall comply and require its contractors to comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (hereinafter, "Section 3"), including the insertion of the Section 3 clause of 24 CFR §135.38 into all contracts funded by this Agreement.
- C. All CHA funded Contracts and supporting documentation establishing the basis on which such contracts were awarded shall be kept on file and made available for review by CHA, HUD and their designees, upon request. CAC shall, when specifically required by HUD, reimburse CHA, from funds other than those granted by HUD for any purpose, for any expenditure or obligation made in violation of Section 2.10 or any violation of HUD requirements.
- D. Nothing contained in this Agreement will create any contractual relationship between any CAC contractor and CHA.

Section 2.11 License to Use CHA Premises

A license to use CHA premise is attached hereto as Exhibit B and incorporated by reference herein.

Section 2.12 Inventory and Inspection

CAC acknowledges and agrees that all equipment and supplies purchased with funding under the Agreement, or purchased directly by CHA for CAC, shall always be and remain the property of the CHA. CAC shall maintain a written inventory of all equipment and supplies purchased under the Agreement for which it has submitted an invoice for cost reimbursement. The inventory shall be made available to CHA upon request. CAC shall be solely liable for any loss or damage to all such property under its control, other than normal wear and tear.

Section 2.13 CHA Inspector General

It is the duty of the CAC, its contractors and their subcontractors to cooperate with the CHA Inspector General in any investigation or hearing undertaken. All CAC contracts that utilize CHA funding must include this provision binding the CAC's contractors and require their contractors to flow down this provision to their subcontractors and require agreement and compliance with the same.

Section 2.14 Non-Discrimination

CAC 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. 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 D 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. In addition, CAC must furnish such reports and information as requested by the Chicago Commission on Human Relations.

Section 2.15 Religious Activities

CAC agrees that in connection with its functions under this Agreement:

- 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 2.16 CAC/LAC Supervision Expectations and Responsibilities

- A. LAC Presidents shall have primary oversight of day to day activities of CAC/LAC administrative staff. CAC/LAC's oversight responsibilities shall include, but not be limited to:
 - 1. Collaboration with CHA's supervisor(s) of the CAC/LAC support staff;
 - 2. Assignment and management of daily responsibilities;
 - 3. Attendance at meetings related to CAC/LAC support staff as requested by CHA;
 - 4. Communication with CHA's supervisor(s) of the CAC/LAC support staff, who shall be responsible for issues related to requests for overtime, copies of vacation requests, performance evaluation and other personnel actions; and
 - 5. Requests to CHA for training and travel related expenses.
- B. In addition, CHA and CAC agree on the following:
 - 1. CHA recognizes the dual role that CAC support staff has as employees of CHA. CHA agrees to respect confidentiality of the support staff when operating in CAC's capacity;
 - 2. As needed, CHA and CAC agree to meet to review the roles and responsibilities, including existing job descriptions, for CAC support staff;
 - 3. Through the performance evaluation process, CAC shall establish job expectations and deliverables for each CHA funded position and provide them to CHA; and

4. To the extent feasible, training expenses and training-related travel expenses for CHA employees reporting to the CAC should be requested by CAC utilizing CHA forms and procedures, and approved expenses should be reimbursed without using the Funding Agreement Budget.

Section 2.17 Elections

During the term of this agreement, any CAC elections must be conducted in accordance with 24 CFR Part 964.130.

ARTICLE 3. TERM

This Agreement shall take effect as of the Effective Date (January 1, 2020) and continue until December 31, 2020 ("Ending Date") or until this Agreement is terminated in accordance with its terms, whichever occurs first.

ARTICLE 4. FUNDING

Section 4.01 Funding

The funding for this Agreement shall be provided on a cost reimbursement basis, except as otherwise provided in this Section with respect to the Section 3 grant program. During the term of the Agreement, the total cost reimbursement payable to CAC shall be an amount not-to-exceed \$1,020,530 for the period beginning on January 1, 2020 and ending on December 31, 2020.

A copy of the approved CAC Budget is attached hereto as Exhibit C and incorporated by reference herein. The CAC agrees that none of the funds provided under this Agreement may be used to pay for litigation expenses against the CHA.

For the Section 3 scholarship funds, CHA will provide an advance of 50% of the scholarship funds. Upon receipt of reports and verification that 80% of the Section 3 program funds initially advanced have been expended, CHA will release a second advance payment for the remaining 50% of the scholarship funds allotted for the Section 3 grant program to the CAC. In the event of earlier termination of this Agreement, or if the scholarship funds are not fully utilized, CAC shall immediately return to the CHA the unused balance of the amounts of the two advance payments. Section 3 scholarship program reports must reflect the following:

- The number of Section 3 residents, to date, that have submitted applications for the Section 3 grant program;
- The number of Section 3 residents, to date, that have received resources or support from the CAC and the corresponding activity;
- The first and last names of all Section 3 residents that have received resources or support from the CAC and the corresponding activity;

- The expenditure amount for each Section 3 resident and the entity reflected as the payee for services on behalf of the Section 3 resident.
- Such other information as CHA may reasonable request.

CAC agrees to waive any and all claims of payment for costs or expenses that result in invoices beyond the CAC Budget amount and in no event shall the CHA be responsible for any costs or expenses incurred other than those set forth in the CAC Budget without a prior written amendment to this Agreement authorizing costs or expenses. CAC recognizes an affirmative duty to monitor its invoices to ensure that the costs or expenses are within the CAC Budget.

CAC shall adhere to guidance on the use of Tenant Participation Funds outlined in PIH Notice 2013-21 (HA) and other federal regulations and guidelines. CAC shall not materially deviate from the Approved Budget without prior written consent from CHA. A deviation will be deemed material when increases or decreases of more than \$10,000.00 occurs for an individual Budget Line Item or when the aggregate of all Budget Line Item increases/decreases exceeds 10% of the Operating Budget since the last CHA budget approval. If a material deviation occurs, the CAC shall request a budget revision, including a narrative justifying why the cost change and explanation for moving funds from one Budget Line Item to another.

Section 4.02 Payment

Each invoice shall contain back-up information as required by CHA to support CAC's request for cost reimbursement, and only those costs and expenses that are set forth in the Budget and that are allowable under 2 CFR Part 230 (Cost Principles for Not-For-Profit Organizations) and CHA Policies, shall be considered for reimbursement. In the event of a conflict between any line items in the Budget and 2 CFR Part 230 and CHA Policies, 2 CFR Part 230 and then CHA's Policies shall control in that order. The CHA shall not be required to give approval or make payments pursuant to a submitted invoice unless information required to be included with the invoice or that has been specifically requested by the CHA and all the reporting requirements and Deliverables as set forth in this Agreement, or other reasonable and written requests by CHA for additional information, have been met.

CHA will make reasonable efforts to make payment for costs and expenses under this Agreement within thirty (30) days after receipt and approval of each invoice submitted. All invoices shall be subject to review and approval by the CHA. If CHA objects to all or any portion of any invoice, it shall notify CAC of its objection in writing and both parties shall make every effort to settle the disputed portion of the invoice. Notwithstanding the foregoing, CHA may, at its option, pay the undisputed portion of any invoice without being deemed to have accepted the disputed portion. All disputes regarding invoices shall be handled in accordance with the provisions of Article V herein.

Section 4.03 Travel Reimbursement Procedures

- A. Training-Related Travel Expenses. Training-related travel expenses shall adhere to guidance on the use of Tenant Participation Funds outlined in PIH Notice 2013-21 (HA) and other federal regulations and guidelines. The CAC must consider training-related travel

costs and savings options, such as considering attending local/state training activities instead of traveling long distance whenever possible. In addition, all travel shall be subject to the following, including:

1. All training-related travel expenses must be contemplated in the CAC's Budget line item for training/travel expenses and may not exceed the amount set forth in the Budget or any applicable revisions;
2. All training-related travel requests must be documented on a CAC Travel Request Form that outlines the anticipated expenses for transportation, lodging, meals, cost for training seminar, etc. and a brief justification for such training-related travel. The CAC Travel Request form must be approved by CHA;
3. To the extent feasible, training-related travel requests for CHA staff reporting to the CAC must be requested by CAC at least four weeks prior to the scheduled training. Training-related expenses, including but not limited to, registration, flight accommodations, lodging, ground transportation, and per diem for CHA employees reporting to the CAC must be requested by CAC utilizing CHA forms and procedures. If these procedures are not followed, CHA may not reimburse CAC for training-related travel expenses for CHA staff reporting to the CAC.

B. Local Travel Expenses. At the CAC's discretion, it may reimburse elected CAC members for local travel expenses. Local travel expenses shall adhere to guidance on the use of Tenant Participation Funds outlined in PIH Notice 2013-21 (HA) and other federal regulations and guidelines. The CAC must submit completed travel forms signed by the requestor and approver to CHA to be eligible for reimbursement of local travel expenses.

Section 4.04 Bank Accounts

CAC shall establish and maintain its own commercial bank account for the purpose of receiving and disbursing funds received from CHA under this Agreement. The Account shall be maintained in a financial institution whose funds are insured by the FDIC. Funds in excess of FDIC's deposit insurance coverage shall be fully and continuously collateralized or insured in the manner prescribed by Illinois Law and HUD Financial Management Handbook 7476.1 REV., intended to safeguard public funds.

CAC's bank customer deposit agreement for the Account shall require two (2) authorized signatures of CAC officers for any instrument for the payment of money from such Account. All funds received by CAC from CHA under this Agreement shall be deposited in the Account, and no other funds will be deposited therein, except funds reasonably sufficient to pay bank charges, if necessary, and such other funds in such amounts as may be approved in writing by CHA prior to their deposit. All monies deposited in the Account shall be held by CAC for the purposes set forth herein, and all monies dispersed by CAC from the Account will be disbursed only for expenditures permitted hereunder and for no other purpose whatsoever.

Section 4.05 Funding

Any reduction in the subsidy of CHA that occurs as a result of fraud, waste and mismanagement by CHA shall not affect the approved funding for CAC. Notwithstanding the foregoing, however, funding for this Agreement is subject to; 1) appropriation of funds by the U.S. Congress and availability of such funds from HUD; 2) approval of funding by CHA; and 3) HUD's recognition of CAC as a resident Council; and 4) CAC's compliance with all of the terms of this Agreement. The funding provided herein may be immediately suspended by HUD or CHA at any time CAC is in noncompliance with any term, covenant or provision of this Agreement.

ARTICLE 5. DISPUTES

Questions regarding federal law, the ACC or HUD regulations raised shall be referred by the parties to the HUD Field Office which will furnish a written decision to both parties.

All other disputes other than termination pursuant to Article 7 shall be resolved using the following administrative remedy: CAC may dispute any directive or decision of CHA by submitting a written statement describing the dispute to CHA. CHA shall issue a written response within ten (10) business days of receipt of a statement of dispute. The parties shall negotiate in good faith to reach a settlement of any such disputes.

The parties may appeal any dispute which cannot be resolved in accord with the immediately preceding paragraph to the HUD Field Office within thirty (30) days of receiving a written response from CHA to the statement of dispute by providing the HUD Field Office with a copy of that decision. The Field Office will promptly issue a decision and furnish a written copy to each party. Both parties shall continue to perform in accordance with CHA's decision pending review.

Either party may request a review of the HUD Field Office decision by filing a written request with the HUD Secretary within thirty (30) days of receipt of that decision. The request shall set forth a justification as to why the Field Office decision should be overturned. Both parties shall continue to perform the Agreement in accordance with the Field Office decision pending the Secretary's review and decision and the Secretary's decision shall be final and binding as to both parties.

ARTICLE 6. RISK MANAGEMENT

Section 6.01 Insurance

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

Section 6.02 Indemnification

CAC shall protect, defend, indemnify, keep, save, and hold CHA, its officers, officials, employees and agents free and harmless from and against any and all liabilities, losses, penalties, damages, settlements, costs, charges, professional fees (including attorney's 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") arising directly out of or proximately (as a result of) caused by the acts or omissions of CAC, its officers, officials, agents, employees and contractors and their subcontractors, including, but not limited to, the enforcement of this indemnification provision. CAC shall investigate, handle, respond to, provide defense for and defend all suits for any and all such Claims, at its sole expense and agrees to bear all other costs and expenses related thereto, even if such Claims are considered groundless, false or fraudulent.

CHA will have the right, at its option and expense, to participate in the defense of any suit, without relieving CAC of any of its obligations under this indemnity provision. The indemnities set forth in this Agreement shall survive the expiration or termination of this Agreement.

ARTICLE 7. EVENTS OF DEFAULT, REMEDIES AND TERMINATION

Section 7.01 Events of Default Defined

Material non-compliance with 1) a provision of this Funding Agreement or 2) federal, state or local regulations shall constitute an event of default. In addition, filing for bankruptcy or assignment for the benefit of creditors or other insolvency proceeding of CAC, whether involuntary or voluntary, shall constitute an event of default, and any other acts specifically and expressly stated in this Agreement shall constitute an event of default.

Section 7.02 Remedies

The occurrence of any event of default which CAC has failed to correct within thirty (30) calendar days after receipt of 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 corrected within such thirty (30) day period after notice, CAC has failed to commence and continue diligent efforts to correct, CHA may, at its sole option, declare CAC in default. Written notification of the default, and any intention of CHA to terminate the Agreement, shall be provided to CAC and such decision shall be effective upon the date set forth in such notice to CAC sent in accordance with Article 10. Upon the giving of such notice, CHA may invoke any or all of the following remedies:

- A. In the event CAC fails to cure any breach as discussed above, CHA may terminate this Agreement.
- B. CHA may withhold all or any part of CAC's funds hereunder in accordance with the terms hereof prior to the termination of this Agreement

The availability of any remedy under this Agreement shall not prevent the exercise of any other remedy under this Agreement, under provision of the Annual Contributions Contract or available at law or in equity, nor shall any action taken in exercise of any remedy be considered a waiver of any other rights or remedies.

ARTICLE 8. WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS

Section 8.01 Warranties and Representations for CAC

As an inducement to CHA to enter this Agreement, CAC represents and warrants to CHA the following:

- A. That CAC is maintaining good standing with the Illinois Secretary of State as a not-for-profit corporation.
- B. That CAC has carefully examined and analyzed the provisions and requirements of this Agreement; that CAC understands the nature of its obligations hereunder.
- C. That CAC and, to the best of its knowledge, its members, contractors and their subcontractors are not in violation of and will not violate any of the provisions of Federal Criminal law published in 18 U.S.C. § 666(a) (1), the Illinois Criminal Code, 720 ILCS 5/33E-1 et seq. (1989), as amended; and CHA Ethics Policy, as amended and attached as Exhibit A and incorporated by reference herein.
- D. That CAC shall not request reimbursement through this Agreement for expenses that have been paid for by another funding source.
- E. That CAC is a duly formed jurisdiction wide resident council in accordance with HUD regulations.
- F. That CAC represents that the duly formed resident councils agree that this Agreement is the authorized funding mechanism to disburse Federal funds to such resident councils per 24 C.F.R. §964.150.
- G. That CAC has full power and legal right to execute, deliver and perform this Agreement; that this Agreement has been duly authorized, executed and delivered by CAC and constitutes a legal, valid and binding obligation of CAC enforceable in accordance with its terms.

Section 8.02 Warranties and Representations for CHA

That CHA has full power and legal right to execute, deliver and perform this Agreement; that this Agreement has been duly authorized, executed and delivered by CHA and constitutes a legal, valid and binding obligation of CHA enforceable in accordance with its terms.

Section 8.03 Lobbying Certifications

CAC hereby agrees and certifies that:

- A. No Federally appropriated funds have been paid or will be paid, by or on behalf of CAC, to any person for influencing or attempting to influence an officer or employee of any Federal or State agency, a member or employee of Congress or the State Legislature, an officer or employee of any Federal or State agency, in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, and submit standard, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
- D. This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and of not more than \$100,000 for each such failure.
- E. For purposes of these requirements, a person means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government whether or not the entity operates on a profit or nonprofit basis. However, Indian tribes, tribal organization and certain other Indian organizations are explicitly excluded from coverage.

Section 8.04 Waiver

Whenever under this Agreement the CHA, by a proper authority, expressly waives the CAC's performance in any respect or expressly waives a requirement or condition to either the CHA's or the CAC'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 CHA may have waived the performance of a requirement or condition.

Section 8.05 Delays and Extensions

CAC agrees that it will not make any claims against CHA or HUD for damages, charges, additional costs or fees incurred by CAC because of delays in reimbursement by CHA or HUD affecting the performance of CAC's obligations under this Agreement.

ARTICLE 9. GENERAL CONDITIONS

Section 9.01 Entire Contract

This Agreement, and any Exhibits attached hereto, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and this Agreement may be amended or modified only by a written instrument executed by the parties hereto. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

Section 9.02 Independent Contractor

CAC shall act as an independent contractor to CHA in carrying out its functions and not as a representative, employee, agent, or partner of CHA.

Section 9.03 Execution

This Agreement may be executed in any number of counterparts. All of such counterparts shall be deemed to be originals and together shall constitute one and the same agreement.

Section 9.04 Governing Law

This Agreement shall be interpreted in accordance with and governed by the laws of the state of Illinois and the applicable Federal laws and regulations. Further, the CHA and CAC expressly understand and agree that this Agreement complies with 24 CFR §964.150.

Section 9.05 Rules of Interpretation

The titles of the several sections of this Agreement are intended for reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement. The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision of this Agreement.

Section 9.06 Severability

The invalidity of any article, section, subsection, clause or provision of this Agreement, including its exhibits, shall not affect the validity of the remaining articles, sections, subsections, clauses or provisions hereof, if such remainder would then continue to conform to the terms of the applicable Federal, State or local laws.

ARTICLE 10. APPROVAL AND NOTICES

- A. Whenever, under this Agreement, approvals, authorizations, determinations or satisfaction, or waivers are required to be made by HUD, such approvals, authorizations, determinations or satisfaction, or waivers, shall be effective and valid only when given either (1) by general orders or regulations duly issued from time to time by HUD, or (2) in specific cases, in writing signed by a duly authorized officer of HUD and delivered to CHA and CAC.
- B. Whenever under this Agreement approvals, authorizations, determinations, satisfaction, or waivers are required to be made by CHA, such approvals, authorizations, determinations, satisfaction, or waivers shall be effective and valid only when given in writing and signed by a duly authorized agent of CHA and delivered to CAC.
- C. Any notices sent to CAC shall be mailed by certified mail, postage prepaid to:

Central Advisory Council
243 E. 32rd Street
Chicago, Illinois 60616
Attention: Chairperson, CAC

Copy to

Central Advisory Council
243 E. 32rd Street
Chicago, Illinois 60616
Attention: CAC General Counsel

Notices sent to CHA shall be mailed by certified mail, postage prepaid to:

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

Copies to

Chicago Housing Authority
Office of the General Counsel
60 E. Van Buren, 12th Floor
Chicago, Illinois 60605
Attention: Chief Legal Officer

Chicago Housing Authority
Office of Resident Services
60 E. Van Buren, 10th Floor
Attention: Chief Resident Services
Officer

Except that notice or service of civil process shall be made pursuant to the applicable code of court procedure.

ARTICLE 11. AUTHORITY

Section 11.01 CHA's Authority


Execution of this Agreement is pursuant to the United States Housing Act of 1937, 42 U.S.C. §§1437 et seq.; 24 C.F.R. Parts 964, specifically 24 C.F.R. Section 964.150(b)(3) and other regulations officially published by HUD, and the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., as amended, and other applicable laws, regulations and ordinances.

Section 11.02 CAC's Authority

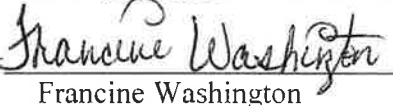
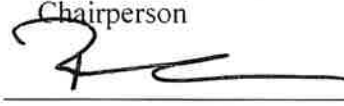
The signature of the person signing on behalf of CAC has been made with complete and full Authority to commit CAC to all the terms and conditions of this Agreement, including each and every representation, certification and warranty contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names as of January 1, 2020.

CHICAGO HOUSING AUTHORITY

BY: 
James L. Bepley
Acting Chief Executive Officer

CENTRAL ADVISORY COUNCIL

BY: 
Francine Washington
Chairperson
BY: 
Bernadette Williams
Vice Chairperson

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

By: 
Cheryl J. Colston
Chief Legal Officer