

SECTION 236 CONTRACT ADMINISTRATION AGREEMENT

THIS SECTION 236 CONTRACT ADMINISTRATION AGREEMENT (the "Agreement") is made as of this ____ day of September, 2008, by and between **CUMBERLAND GREEN COOPERATIVE** (a/k/a Cumberland Green Cooperative, Inc.), an Illinois not-for-profit corporation (the "Owner"); and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** (the "Authority"), a body politic and corporate established by and existing pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended.

RECITALS

A. The Owner has refinanced a loan with the U.S. Department of Housing and Urban Development's approval (the "Refinancing") in connection with a multi-family housing development containing two hundred four (204) dwelling units, commonly known as Cumberland Green Cooperative and located on the real estate (the "Real Estate") legally described on **Exhibit A** to this Agreement and made a part of it. The Real Estate and the improvements located on it are collectively referred to in this Agreement as the "Development".

B. The Refinancing involved the prepayment of a previous loan and the creation of a successor mortgage and note with interest reduction payments to continue under the authority of Section 236(e)(2) of the National Housing Act ("Section 236"), and pursuant to the terms of the Agreement for Interest Reduction Payments dated September __, 2008 (the "IRP Agreement"). The funds to be received by the Development under the IRP Agreement will pay principal and/or interest on the successor note.

C. The U.S. Department of Housing and Urban Development ("HUD") and the Owner wish that the Authority undertake the administrative duties of the IRP Agreement required by Section 236 of the National Housing Act, as amended, and the Authority is willing to undertake the administrative duties required by the IRP Agreement subject to the terms and conditions set forth below.

NOW THEREFORE, in consideration of mutual agreements contained below and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. **Recitals.** The recitals set forth above are made a part of this Agreement.
2. **Responsibilities of the Owner.** The Owner shall be responsible for the following duties as provided in **Paragraph 2.a** through **2.e** in order for the Authority to perform its administrative duties as required by the IRP Agreement, including but not limited to, physical inspections of the Development, audits of tenant files, rent increase processing and approval, utility allowance review and approval, management and occupancy review, excess income report review, electronic tenant file submission review and 236 payment billing.
 - a. **Access to Development.** The Owner shall provide access to the Development to the Authority in order for the Authority to perform its duties under the IRP Agreement.

b. Audit. The Development and the equipment, buildings, plans, specifications, offices, apparatus, devices, books, contracts, records, documents and other papers relating to it, and the books and records relating to the Owner, shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection and copying by the Authority or its agent or representative upon reasonable prior notice during normal business hours, as the Authority reasonably requires.

c. Furnishing Information. At the request of the Authority, the Owner shall furnish documentation, including but not limited to such reports, projections, certifications, budgets, operating reports, tax returns and analyses as required pursuant to Section 236 and the IRP Agreement, and from time to time shall give specific answers to written questions in connection with Borrower's income, assets, liabilities, contracts and operation, all relating to the Development, and the administration, operation, maintenance, occupancy, financial soundness and physical condition of the Development.

d. Annual Payments. Commencing on _____, 2008 or such later date as acceptable to the Authority and continuing further on the first (1st) day of each calendar year thereafter until _____, 2016, the Owner shall pay installments of IRP administration fees, all as set forth in the schedule attached to this Agreement as **Schedule "A"**. Any payments made under this Agreement are to be made at the Illinois Housing Development Authority, P.O. Box 93397, Chicago, IL 60673, or such other place as the Authority may designate in writing.

e. Provision of Decent, Safe and Sanitary Housing. The Owner shall maintain and operate the Development so as to provide decent, safe, and sanitary housing and to provide all services, maintenance and utilities in accordance with Subpart G of Part 5 of Title 24, of the Code of Federal Regulations.

3. Term. The term of this Agreement shall begin on the date of execution and shall terminate five years beyond the expiration of the IRP Agreement.

4. Violation of Agreement by Owner. The Authority shall perform its administrative duties required by the IRP Agreement so long as there are no violations of this Agreement by the Owner. Upon a violation of this Agreement by the Owner, the Authority may give notice of such violation to the Owner as provided in **Paragraph 14**. If such violation is not corrected to the satisfaction of the Authority within fifteen (15) days after such notice, the Authority may exercise such other rights or remedies as may be available to the Authority under this Agreement, at law or in equity including, but not limited too, the Authority may cease its administrative duties required by the IRP Agreement.

5. Termination. This Agreement may be terminated by either party upon ninety (90) days prior written notice of termination to the other party provided all payments due to the Authority by the Owner hereunder have been paid in full to the date of such termination on or prior to such termination date. The parties shall give notice of such termination as provided in **Paragraph 14**.

6. Compliance with Federal and State Laws, Rules and Regulations. The Authority and the Owner agree to comply with all federal and state laws, rules, regulations, and auditing standards which are applicable to the performance of this Agreement, including but not limited to the Federally Assisted Housing Preservation Act, 310 ILCS 60/1 *et seq.*

7. Headings. The headings of paragraphs of this Agreement are for convenience only and do not limit, expand or construe the contents of the paragraphs.

8. Severability. The invalidity of any provision of this Agreement shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Agreement.

9. Entire Agreement. All understandings and agreements, oral or written, previously made between the parties hereto are merged in this Agreement, which alone fully and completely expresses the agreement between the Owner and the Authority.

10. Successors. This Agreement shall bind, and the benefits shall inure to, the parties to this Agreement, their legal representatives, successors in office or interest and assigns; however, the Owner may not assign this Agreement or any of its obligations under this Agreement, without the prior written approval of the Authority.

11. Conflict of Laws. This Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois, exclusive of its conflict of laws provisions.

12. Modifications in Writing. No modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon the Owner or the Authority unless in writing signed by the party sought to be bound.

13. Assignment. Neither this Agreement nor any rights, duties, or obligations described herein shall be assigned by the Owner without the prior express written consent of the Authority.

14. Notices. Any notice, demand, request or other communication which any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

If to the Owner:

Cumberland Green Cooperative
1798 Cumberland Green Drive
St. Charles, Illinois 60174
Attention: Dale Janke, Property Manager

If to the Authority:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Legal Department

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective upon one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after deposit with the United States Postal Service.

15. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement but all such counterparts shall constitute one and the same instrument.

[SIGNATURES ARE ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

OWNER:

CUMBERLAND GREEN COOPERATIVE,
an Illinois not-for-profit corporation

By: _____
Printed Name: _____
Its _____

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____
Printed Name: _____
Its _____

EXHIBIT A
LEGAL DESCRIPTION

SCHEDULE A