

***ATTACHMENT D***

**CONTRACT NO. \_\_\_\_\_**

**PROFESSIONAL PROPERTY  
MANAGEMENT AGREEMENT**

**BETWEEN**

**CHICAGO HOUSING AUTHORITY**

**AND**

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## **EXHIBITS**

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EXHIBIT B:	STATEMENT OF WORK
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DRAFT

**PROFESSIONAL PROPERTY MANAGEMENT AGREEMENT**

This **PROFESSIONAL PROPERTY MANAGEMENT AGREEMENT** (this “Agreement”) is made effective as of September 1, 2025, between the **Chicago Housing Authority**, a municipal corporation organized under the laws of the State of Illinois and the Illinois Housing Authorities Act, 310 ILCS 10/1 et. seq (hereinafter “Owner”) and \_\_\_\_\_, an \_\_\_\_\_ Corporation with its principal place of business at \_\_\_\_\_ (hereinafter “Manager”). Owner and Manager are hereafter referred to individually as a “party” and collectively as the “parties.”

**RECITALS**

**WHEREAS**, the Chicago Housing Authority (“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;

**WHEREAS**, on \_\_\_\_\_, the CHA released Request for Proposals Event No. \_\_\_\_\_ (“RFP”), to competitively procure property management firms to rent, lease, operate and manage the property set forth in Exhibit A (“Property”);

**WHEREAS**, on or about \_\_\_\_\_, Manager submitted its proposal in response to the RFP, indicating it is ready, willing and able to provide the services outlined therein; and

**WHEREAS**, the parties desire to enter into this Agreement for the provision of property management services as fully set forth herein.

**NOW THEREFORE**, in consideration of the mutual promises hereunder and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1. INCORPORATION OF RECITALS AND DEFINITIONS**

**Section 1.1 Incorporation of Recitals**

The recitals set forth above are incorporated by reference as if fully set forth herein.

**Section 1.2 Definitions**

- (a) “ACC” shall mean the Consolidated Annual Contributions Contract(s), including all relevant amendments, pursuant to which HUD provides funding to the CHA for the administration, management and operation of the Property.

- (b) “Act” shall mean the United States Housing Act of 1937 (42 U.S.C. 1437, et seq.), as amended from time to time, any successor legislation and all implementing regulations issued thereunder or in furtherance thereof.
- (c) “Agreement” shall mean this Professional Property Management Agreement for the administration, management and operation of the Property, including (i) all Exhibits attached to it and incorporated by reference; (ii) all existing CHA policies and procedures effective during the term of the Agreement and incorporated by reference; and (iii) all subsequent amendments, modifications or revisions made in accordance with its terms.
- (d) “ACOP” shall mean the latest version of the CHA’s Admissions and Continued Occupancy Policy, which is the statement of CHA’s policies and procedures relating to the admission of and continued occupancy in its public housing program, as may be amended from time to time.
- (e) “Annual Plan” shall mean the plan prepared annually by the CHA pursuant to the Moving to Work (“MTW”) demonstration agreement by and between HUD and the CHA as it may be amended or extended, and in accordance with Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, and any successor annual plan prepared in accordance with federal laws.
- (f) “Applicable Public Housing Requirements” shall mean the ACC, the Act, as revised and amended per the MTW agreement, any grants or agreements, the HOPE VI Grant Agreement, HUD notices (including any notices of fund availability under which the Public Housing Authority (PHA) received an award of HOPE VI funds for use in connection with the Property), the declaration of restrictive covenants, other written policies and procedures of HUD, the ACOP, and all pertinent Federal statutes, executive orders and regulatory requirements applicable to public housing, as those requirements may be amended from time to time.
- (g) “Claim” shall have the meaning set forth in Section 6.3 herein.
- (h) “Commencement Date” shall have the meaning set forth in Section 2.1 herein.
- (i) “Corrupt Activity” shall mean the commission, or attempted commission of bribery, theft, fraud, forgery, perjury, dishonesty or deceit under any local, state or federal law, including the conspiracy to engage in any of the aforementioned acts.
- (j) “Deliverables” shall have the meaning set forth in Section 3.7 herein.
- (k) “Depository Account” shall have the meaning set forth in Section 4.2 herein.
- (l) “Fiscal Year” shall mean calendar year unless specifically provided to the contrary herein.
- (m) “Governing Documents” shall mean those documents listed in Exhibit E that detail specific operating and compliance requirements for the Property.

- (n) “HUD” shall mean the United States Department of Housing and Urban Development.
- (o) “Lease” shall mean any lease in which Owner has agreed to lease and a Tenant has agreed to accept a residential dwelling unit of the Property or Non-dwelling unit of the Property identified in the lease in accordance with the terms of the lease.
- (p) “Lease Rider” shall mean a rider, as it may be modified from time to time by the Owner, which must be made part of each Lease as appropriate for tax credit units, Public Housing Units, Non-dwelling units and Section 8 assisted units.
- (q) “Management Fee” shall have the meaning set forth in Section 8.1 herein.
- (r) “Management Plan” shall mean Manager’s written description of the manner in which the Property shall be operated that has been approved by the Owner; the Management Plan may be modified from time to time upon written agreement of the Owner and must be strictly adhered to by Manager. The initial Management Plan is attached hereto as Exhibit D.
- (s) “Manager” shall mean the professional property management (“PPM”) company, authorized by this Agreement to manage the Property described herein.
- (t) “Non-dwelling” shall mean those units approved by CHA and HUD, if necessary, to be used for non-residential purposes.
- (u) “OIG” shall mean the CHA’s Office of the Inspector General.
- (v) “Operating Account” shall mean an account established by Owner to disburse funds to Manager to pay the normal and reasonable expenses for the operation and maintenance of the Property.
- (w) “Operating Budget” shall mean the annual operating budget currently approved by the CHA and attached hereto as Exhibit C, and any subsequent operating budget(s) approved by the CHA.
- (x) “Owner” shall mean the Chicago Housing Authority or “CHA.”
- (y) “Performance Standards” shall mean the standards or factors the CHA will use in evaluating the performance of Manager under this Agreement including the Public Housing Assessment System (“PHAS”) or such other systems as HUD may designate, as set forth in Exhibit M.
- (z) “Personal Property” shall mean the materials, equipment, tools and supplies owned, rented or used by Manager.
- (aa) “Project” or “Property” shall mean, collectively, the buildings, land and improvements, and all appurtenances and equipment located thereon, including all residential dwelling units, as described on and attached hereto as Exhibit A.

- (bb) “Public Housing Units” shall mean the units of public housing at the Property.
- (cc) “Rent” shall mean that monthly amount which Tenant is obligated to pay Owner pursuant to the terms of a Lease.
- (dd) “Request for Proposals” or “RFP” shall mean that certain Request for Proposal No. \_\_\_\_\_ dated \_\_\_\_\_.
- (ee) “Services” shall mean the administration, management and operation of the Property and all the work, services, duties and responsibilities described throughout this Agreement and attached as Exhibits and any and all work necessary to complete them in accordance with the performance standards required under this Agreement.
- (ff) “Tenant” shall mean a person, family or entity occupying a unit in a Property pursuant to a Lease.

## **ARTICLE 2. TERM OF AGREEMENT**

### **Section 2.1 Term of Agreement**

The initial term of this Agreement (“Initial Term”) is for the period of September 1, 2025 through August 31, 2028, or until the Agreement is terminated in accordance with its terms, whichever occurs first. The Initial Term may be extended pursuant to Section 2.2. The Initial Term, together with any extensions, is referred to herein as the “Term.” Manager shall commence performance under this Agreement on the date the Owner issues a notice to proceed (“Commencement Date”).

### **Section 2.2 Agreement Extension Options**

The Owner may extend this Agreement for two (2) additional one-year option periods (each an “option period”), subject to the approval of the CHA Board of Commissioners and HUD, to the extent required. Each option period shall only be exercised individually, and prior to the expiration of the Initial Term or then-current option period. Any extension shall be under the same terms and conditions as this original Agreement. Any amendment to the Term of the Agreement, including the exercise of an option period, shall be done in accordance with Section 12.2. In the event the Term of the Agreement expires without a notice of termination or written extension, the Term shall automatically convert to month-to-month; provided, however, that the conversion of the Term under this Section shall not discharge any of Manager’s obligations hereunder.

## **ARTICLE 3. MANAGER’S DUTIES AND RESPONSIBILITIES**

### **Section 3.1 Standard of Conduct**

Manager represents that it is experienced in professional management of single family and multifamily real estate properties of a character and nature similar to the Property set forth in Exhibit A. Manager agrees to manage the Property in accordance with the highest professional standards for such properties and in accordance with the Owner approved Management Plan.



### **Section 3.2 Scope of Services and Statement of Work**

Owner's focus shall be to provide oversight and guidance to Manager in coordinating the performance of Services at the Property. Where the overall Services to be performed under this Agreement remain Manager's responsibility, Owner may provide support in certain areas.

For example, Owner may centrally procure certain items to take advantage of economies of scale, but reserves the right to assign specific items to Manager for management and/or procurement, such as:

- (a) Annual UPCS inspection services
- (b) Armed and unarmed security services
- (c) Background screening services
- (d) Extermination services
- (e) Materials and Supplies
- (f) Scavenger services
- (g) Towing Services
- (h) Unit renovations
- (i) Others at CHA's discretion

The Services to be performed by Manager during the Term of the Agreement are more fully described in the Statement of Work set forth in Exhibit B, which is attached hereto and incorporated by reference herein.

### **Section 3.3 Familiarization with Property**

As soon as practicable, Owner will furnish Manager with a complete set of general plans and specifications for the Property, if any, and copies of all guarantees and warranties pertinent to construction and fixtures and equipment for the Property. With the aid of this information and inspection by properly licensed and competent personnel, Manager shall thoroughly familiarize itself with the character, construction, layout, and plans of the Property, including the electrical, heating, plumbing and ventilating systems and all other mechanical equipment in the Property.

### **Section 3.4 Manager's Internal Controls and Procedures**

Manager shall, within thirty (30) days of the Commencement Date, submit internal control procedures and process flow for accounts payable, accounts receivable, month-end closing, procurements and any other item requested by Owner. Manager shall also maintain desk procedures for employees processing financial transactions.

### **Section 3.5 Initial Budgets**

Within thirty (30) days of Owner providing the budget for the Property, Manager shall review and advise Owner of any modifications deemed necessary for the current operating year and provide Owner with a Management Plan.

### **Section 3.6 Annual Operating Budget**

Manager shall prepare a proposed Operating Budget (See Exhibit C) and Management Plan (See Exhibit D) for each Fiscal Year during the Term of this Agreement and shall submit it to Owner at least one hundred twenty (120) days before the beginning of such Fiscal Year. The proposed Operating Budget for the Property for each Fiscal Year shall be subject to approval by Owner and comply with the CHA Budget Policies and Procedures Manual (See Exhibit E). Owner shall promptly inform Manager of all changes, if any, incorporated in the Operating Budget, and Manager shall make no expenditures in excess of the amounts set forth in the Operating Budget for each category of operation expense itemized without the prior written approval of Owner, except as permitted by Owner for emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any Services to the Property.

### **Section 3.7 Books, Records, Reporting and Procurement**

Manager shall use the modified accrual basis of accounting to record its activity in CHA's system(s) of record. Manager shall keep full and adequate books for accounts and such other records reflecting the results of operation of the Property including, without limitation: all contracts, original leases, amendments, extensions and agreements relating to contracts and leases, files, correspondence with Tenants and prospective Tenants, computations of rental adjustments, Tenant income and other records required to verify satisfaction of property requirements, maintenance and preventative maintenance programs, schedules and logs; inventories of Manager's personal property; correspondence with vendors; job descriptions; correspondence with federal, state, county and municipal authorities; brochures and accounts held or maintained. Such books and records shall be stored in electronic form where feasible and maintained in accordance with generally accepted accounting principles and all the terms and conditions of the CHA Records Management Policy (See Exhibit E), and Applicable Public Housing Requirements.

- (a) Manager shall process and record all financial transactions related to the Property into the Owner's designated system of record (i.e. Yardi, SharePoint, Lawson, etc.).
- (b) Manager shall scan and attach all invoices and supporting documents to their respective payables in Owner's designated system of record (i.e., Yardi, Lawson).
- (c) Manager shall use the Private Managers Financial Procedures Manual (See Exhibit E) as a reference guideline but shall not be limited to this policy in processing financial transactions.
- (d) Manager shall be responsible for the issuance of IRS Form 1099's under Manager's corporate tax identification number for payments made to independent contractors under Manager's operation of the Property.

In carrying out its Services, Manager shall prepare data, reports and other Owner-required documents, (collectively "Deliverables"). The Owner, in its sole judgment, reserves the right to reject incomplete Deliverables. Deliverables must: (a) adequately represent the intended level of completion or standard of performance; (b) include relevant information or data as required by Owner; and (c) include all documents specified in this Agreement and/or those which are reasonably necessary for the purposes for which the Owner entered into this Agreement with

Manager. Partial or incomplete Deliverables may be accepted for review only when required for a specific purpose and when consented to in advance by the Owner. Such Deliverables may not be considered as satisfying the requirements of this Agreement, and partial or incomplete Deliverables shall never relieve Manager of its obligations hereunder to submit complete Deliverables.

The reports and submission dates shall be specified by Owner and adhered to by Manager. Such reports include, but are not limited to, the following reporting categories: capital, debt, financial, lease/unit, compliance and audit. A partial listing of required reports is attached as Exhibit F and will be modified, from time to time, at the Owner's sole discretion. The format of the reports will be determined by the Owner, and Manager will utilize Yardi, Lawson or any Owner-designated property management system as required by Owner. Sample copies of the required reporting forms are available through the CHA Property Department, CHA Department of Procurement and Contracts, and the CHA Comptroller's Office.

Manager shall use competitive purchasing procedures pursuant to 2 C.F.R. Part 200, HUD Procurement Handbook 7460.8 REV 2, (Procurement Handbook), CHA's Procurement Policy, 24 C.F.R. Part 135 and to the maximum extent possible, 24 C.F.R. Part 963 for procuring services, supplies, material and equipment for use by Manager in carrying out its responsibilities under this Agreement. The Owner reserves the right to monitor and review all purchases made for the Property for compliance with the requirements of the CHA Department of Procurement and Contracts.

Owner, including its accountants, attorneys and agents and CHA OIG, shall have the right to enter the Management Office to examine or inspect the books and records relating to the operation and maintenance of the Property at any time during the normal business hours. Books and records of the Property shall be stored electronically where feasible, and available at the Management Office or such other location as Manager and Owner may deem appropriate.

### **Section 3.8 Personnel**

All on-site personnel shall be employees or subcontractors of Manager. Manager shall be solely responsible for hiring, supervision and termination of its personnel. Manager shall be solely responsible for paying all personnel and complying with all laws pertaining to employment. Owner shall reimburse Manager for wages, salaries, worker's compensation insurance premiums, social security taxes and other payroll taxes normally paid by employers of on-site personnel, pursuant to the approved Property budget.

It is understood by Manager and Owner that "advances" or "reimbursements" for personnel shall be limited to: a) customary reimbursements for Services provided for the Owner; and b) required Services that Manager does not and cannot render (i.e., temporary relocation costs for residents during emergency, etc.). Manager will not be reimbursed for expenses attributable to personnel who work in Manager's corporate or business office. Manager shall use reasonable care in its pre-employment screening of on-site personnel, which shall include, but not be limited to: fingerprint background checks, employment background checks, criminal background checks and drug testing for each potential new hire. Manager shall notify the Owner promptly of on-site

personnel changes or personnel action. The Owner reserves the right to review and approve Manager's selection of personnel.

Temporary service workers shall be engaged solely for the following positions: (1) Administrative Assistant (including Receptionist) or (2) Janitor C – Helper. The budget allocated for such temporary service workers shall not exceed the originally approved budget for the respective position as outlined in the Manager's operating account. Should additional funding be necessary to support the compensation of a temporary service worker, the Manager is required to obtain prior written approval from the Owner. Before engaging any temporary service worker, the Manager shall present the Owner with a minimum of three (3) quotes from prospective temporary staffing agencies. The duration of any temporary service engagement shall not exceed sixty (60) days without the Owner's prior approval. The Owner will regularly evaluate the performance of temporary service workers and share any concerns with Manager. If Manager decides to permanently hire a temporary service worker from his/her respective staffing agency, all costs or fees associated with such hiring may not be charged to the operating budget.

### **Section 3.9 Section 3 and CHA's Diversity and Inclusion Contract Requirements**

- (a) Section 3 – Compliance: Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u, (Section 3), and the regulations implementing Section 3 at 24 C.F.R. Part 75 – Economic Opportunities for Low- and Very Low-Income Persons, require that any contract or subcontract entered into for the benefit of public housing residents shall require that, to the greatest extent feasible, economic opportunity in the form of training, employment, contracting, and other economic opportunities arising from the expenditure of public housing assistance for housing rehabilitation and housing construction be directed to low- and very low-income persons. The parties to this contract agree to comply with HUD's regulations in 24 C.F.R Part 75 and CHA's Diversity and Inclusion Contract Requirements regarding employment, subcontracting and training opportunities for Section 3 Workers, Targeted Section 3 Workers, and Section 3 Business Concerns.
- (b) CHA's Diversity and Inclusion Contract Requirements are attached hereto as Exhibit G. The Diversity and Inclusion Contract Requirements and Contractor's approved Compliance Utilization Plan (as such may be updated) are incorporated by reference into this Agreement.
- (c) Documenting and Reporting. The Contractor and its subcontractors shall provide all required compliance data via CHA's electronic system available at <https://cha.diversitycompliance.com/>. The Contractor and its subcontractors shall be responsible for responding to any requests for data or information by the noted response due dates and shall check the electronic system on a regular basis to manage contact information and contract records. The Contractor shall also be responsible for ensuring that all subcontractors have completed all requested items with complete and accurate information and that their contact information is current.

### **Section 3.10 Training and Certification**

Pursuant to 24 C.F.R. §967.1 et seq. and to the extent applicable, Manager and its subcontractors shall attend CHA and/or HUD sponsored trainings and workshop programs designed to enhance the skills, safety awareness and capabilities of its employees and subcontractors. Manager shall also be required to annually certify the performance of background checks and completion of training for personnel located at the Property.

### **Section 3.11 Non-Discrimination**

Manager 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. § 2000 et seq. (1989), as amended, and all regulations promulgated thereto. Manager 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), 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. §§ 6101-6106 (1989); Rehabilitation Act of 1973, 29 U.S.C. § 793-794 (1988); Fair Housing Amendments Act, 42 U.S.C. § 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, I11. Admin. Code Tit. 44 section 750 Appendix A, which is attached hereto as Exhibit I 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, Manager must furnish such reports and information as requested by the Chicago Commission on Human Relations.

### **Section 3.12 Religious Activities**

In connection with the Services to be provided under this Agreement, Manager agrees that it shall not: (a) discriminate against any person on the basis of religion; (b) limit employment or give preference in employment to persons on the basis of religion; (c) discriminate when rendering the Services hereunder against any person on the basis of religion; or (d) limit such Services or give preference to persons on the basis of religion.

### **Section 3.13 Drug-Free Workplace**

Manager and its employees shall comply with the federal Drug Free Workplace Act of 1988, 41 U.S.C. §§ 8101-8106 (1988), as amended, and HUD's implementing regulations thereunder. Further, Manager 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, Manager shall notify the CHA if any of its employees are convicted of a criminal drug offense in the workplace no later than ten (10) days after such conviction.

### **Section 3.14 Management Office**

Manager's Management Office shall be open, at a minimum, during normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., and Saturdays from 9:00 a.m. to 12:00 p.m. Any deviation from standard schedules must be approved by the Owner. In some instances, the Management Office shall be available on weekends. Manager's Management Office may observe the Holiday Schedule observed by the CHA, which may be modified from time to time (See Exhibit J). In the event of an emergency, the Owner, in its sole discretion, may require the Management Office to be open, at such times and/or on such dates as specified by Owner.

Manager shall maintain a twenty-four (24) emergency response system. Manager must maintain an after hour answering service staffed by a live person (not recording), prepared to forward emergencies to the assigned maintenance and/or management personnel on a 24-hour basis. The assigned staff must promptly respond to emergencies and notify the Owner of all emergencies and actions taken within seventy-two (72) hours of such event, and in accordance with CHA procedures.

### **Section 3.15 Compliance with Applicable Laws and Notification to Owner**

Manager shall comply fully with all applicable federal, state, county, municipal, and special district laws, statutes, ordinances, rules, regulations and orders relative to the Services, including, but not limited to the marketing, renting, leasing, use, operation, repair and maintenance of the Property, the selection and treatment of Tenants, investigation of credit, collection of rents, disclosure of information to and about Tenants and prospective Tenants, and the eviction of Tenants.

Manager shall at all times observe and comply with all applicable laws, statutes, ordinances, rules, regulation and executive orders of the federal, state and local government, now existing or hereinafter in effect, which may in any manner affect the performance of this Agreement, 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 C.F.R. Part 5 and all other applicable HUD regulations; the Uniform Administrative Requirements, Cost Principles, and Audit Requirements contained in 2 C.F.R. Part 200, (2014), 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). Additionally, Manager shall comply with the applicable provisions of 2 C.F.R. Part 200, 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 the Illinois Energy Policy and Conservation Act (Pub. L 94-163, 89 Stat. 871).

Manager shall promptly remedy any violation of any such law, ordinance, rule or regulation which it knows about and shall notify Owner by the end of the next business day after Manager receives written notice of any violation for which Owner may be subject to a penalty. Manager shall furnish whatever information is requested by Owner that would be necessary for Owner to determine whether Manager is acting in compliance with applicable laws and the terms and conditions of this Agreement.

### **Section 3.16 Manager's Duty to Report Litigation**

Manager shall report promptly to Owner any criminal or civil litigation involving the Property and any such litigation involving Manager and Manager's subcontractors that may result in liability for the Owner. Manager shall not enter into any settlement agreement involving the Property without the consent of the CHA's Office of the General Counsel. Manager shall report promptly to Owner prior to conducting an internal investigation involving the Property, any subcontractor or the Owner that may negatively impact the Owner.

### **Section 3.17 CHA Inspector General**

Manager and its subcontractors shall report, directly and without undue delay, to the CHA's Inspector General, any information concerning conduct by any person which Manager or subcontractor knows or suspects to involve fraud or other Corrupt Activity. Manager's or subcontractor's intentional failure to report Corrupt Activity as required in this Section 3.17 shall constitute an event of default under this Agreement.

It is the duty of Manager and its subcontractors to cooperate with the CHA Inspector General in any investigations, audits, reviews, inspections or hearings undertaken. Premises associated with the Owner or doing business with or on behalf of the Owner shall be made available without undue delay including but not limited to equipment, personnel, books, records (in any form) and paper deemed relevant by the OIG. All of Manager's subcontracts must inform subcontractors of this provision and require agreement and compliance with the same.

### **Section 3.18 Coordination with CHA Resident Services**

Manager and its employees shall have a duty to coordinate with CHA's Resident Services department and its respective programs and supportive services. A Manager's or subcontractor's intentional failure to collaborate with Resident Services on its programming shall constitute an event of default under this Agreement.

### **Section 3.19 Manager's Duty to Comply with CHA Governing Documents**

Manager and its employees shall have a duty to comply with all CH Governing Documents described in Exhibit E, which are incorporated by reference as if fully set forth herein. Failure to comply with any CHA Governing Document as required in this Section 3.19 shall constitute an event of default under this Agreement.

### **Section 3.20 HUD's General Conditions for Non-Construction Contracts**

HUD's General Conditions for Non-Construction Contracts (HUD form 5370-C (1/2014)) ("General Conditions"), are attached hereto as Exhibit K and incorporated by reference as if fully set forth herein. Manager 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.

### **Section 3.21 Confidentiality**

Manager agrees that all Deliverables, reports, documents, data or other information prepared or assembled by, or received or encountered by Manager, its employees, agents and subcontractors pursuant to this Agreement shall constitute the confidential information of the Owner ("Confidential Information") and shall be used by Manager, its employees, agents and subcontractors only in connection with the Services provided hereunder. Further, Manager agrees that such Confidential Information shall not be made available to any individual or organization other than the Owner, HUD or courts of competent jurisdiction or administrative agencies pursuant to a subpoena without the prior written approval of the CHA. In the event Manager is presented with a *subpoena* regarding such Confidential Information, which may be in Manager's possession by reason of this Agreement, Manager must immediately give notice to the CHA's Chief Executive Officer and General Counsel with the understanding that the CHA will have the opportunity to contest such process by any means available to it before the Confidential Information is submitted to a court or other third party. Manager, 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 or the time to produce is otherwise extended. Manager agrees that this Section 3.21 shall survive the termination of the Agreement.

## **ARTICLE 4. ESTABLISHMENT OF ACCOUNTS**

All funds referenced hereunder shall be managed in accordance with the Governing Documents, HUD Cash Management Guidelines and the CHA Finance Division policy and procedures as it relates to property management fiscal activities. Manager agrees and acknowledges that it has a fiduciary obligation to the Owner when performing its fiscal duties on behalf of the Owner.

### **Section 4.1 Operating and Security Bank Accounts**

Owner shall designate the financial institutions for which accounts are established through the HUD General Depository Agreement (See Exhibit E).

Manager shall make all requests for banking products and services through the CHA Treasury Department's designated contact in accordance with the CHA Treasury Department's Private Property Management Banking Procedures (See Exhibit E). The appropriate management approval shall be given by Manager for timely and accurate documentation as it relates to the following, including but not limited to: signature authorizations, electronic banking permissions and internet banking access.



Banking fees associated with the commercially reasonable activities of the property management accounts shall be the responsibility of the Owner. “Excess” banking fees shall be construed as those fees which are generated as a result of Manager’s standard of care failure (i.e. writing NSF checks). Excess banking fees and similar charges may be deducted from Management Fees.

The CHA Treasury Department reserves the right to change designated financial institutions or banking services. However, such action will be performed in a manner which will ensure that the property management operational or financial activities of Manager will not be unreasonably hindered.

#### **Section 4.2 Depository Account**

Manager shall establish a “Depository Account” at a reputable financial institution authorized to do business in the State of Illinois, which shall be used for the deposit of all funds received as the Management Fee. The Depository Account shall be under the sole control of Manager.

#### **Section 4.3 Management of Security Deposit Transactions**

All transactions relating to security deposits are generated through the Operating Account. This account will be adjusted by the Owner based on Manager’s monthly security deposit activity report in accordance with the Private Managers Financial Procedures Manual (See Exhibit E).

### **ARTICLE 5. DISPUTES**

#### **Section 5.1 Disputes**

In the event of a dispute between the parties involving this Agreement, both parties will attempt to negotiate a resolution. If the parties cannot resolve the dispute through negotiation, either party shall, unless otherwise set forth herein, submit the dispute in writing to the Deputy Chief Procurement Officer of the CHA’s Department of Procurement and Contracts for resolution. His/her decision shall be final and binding, subject to review by a court of competent jurisdiction. The parties agree that this is the sole remedy between the parties and that if review by a court is sought, no additional causes of action may be asserted. These dispute resolution obligations contained in this Agreement shall survive the termination of this Agreement.

In the event of a dispute between Manager and any of its subcontractors, Manager agrees to expeditiously address and seek resolution of the dispute.

## ARTICLE 6. RISK MANAGEMENT

### Section 6.1 Insurance

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

### Section 6.2 Indemnification of Owner

To the maximum extent permitted by law, Manager agrees to defend, indemnify, and hold harmless Owner, its officers, employees, agents and contractors from all claims, suits, liabilities, damages, costs, company obligations, expenses (including reasonable attorneys' fees) of any nature whatsoever arising from or relating to, in whole or part: (i) Manager's breach of its obligations, representations or warranties under this Agreement, (ii) the failure of Manager, its employees or agents to comply with the Governing Documents, (iii) violation by Manager or its employees or agents of any federal, state or local law, regulation or ordinance applicable to Manager's activities under this Agreement, or (iv) the gross negligence, willful misconduct, intentional tort or criminal activity of Manager, its employees or agents. Provided, however, that Manager shall have no obligation to indemnify Owner for claims, suits, liabilities, damages, costs, expenses arising from the negligent act or omission or willful misconduct of Owner, its officers, employees, agents or contractors as applicable.

### Section 6.3 Indemnification Procedure

- (a) Promptly after receipt by an indemnified party of notice of any suit, proceeding, claim, demand or action that falls under the scope of this Article 6 and that the indemnified party intends to seek indemnification therefore (collectively, the "Claim"), such indemnified party will deliver to the indemnifying party a written notice of the Claim and the indemnifying party shall assume the defense thereof with counsel mutually satisfactory to the parties.
- (b) The indemnified party shall reasonably cooperate with the indemnifying party in connection with the defense of the Claim including, without limitation, by making available to the indemnifying party all relevant information material to the defense of the Claim. The indemnified party shall be entitled to participate in the settlement or defense of the Claim and to approve any proposed settlement that would impose any obligation or duty on the indemnified party, which approval may, in the sole discretion of the indemnified party, be withheld. The indemnified party shall have the right to pay or settle any Claim at any time, provided that in such event it waives the right to indemnification therefore by the indemnifying party.
- (c) If the indemnifying party fails to contest the Claim or undertake or approve settlement in good faith and with reasonable diligence, the indemnified party shall thereafter have the right to contest, settle or compromise the Claim in its sole discretion, at the risk and expense of the indemnifying party, and the indemnifying party will thereby waive any claim, defense or argument that the indemnified

party's settlement or defense of such Claim is in any respect inadequate or unreasonable.

- (d) If the indemnification provided for in this Article 6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any Claim, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense, including reasonable attorneys' fees.

#### **Section 6.4 Survival of Indemnity Obligations**

The indemnity obligations outlined in this Section 6 shall survive the termination or expiration of this Agreement.

### **ARTICLE 7. AUDIT RESPONSIBILITIES AND OBLIGATIONS**

#### **Section 7.1 Manager's Obligation to Audit**

Manager is required to establish a process for its audit of Tenant files, subject to Owner's approval, which maximizes accuracy in rent calculations and compliance with the Owner's "Perfect File Folder" format as defined in the Property Management Procedural Manual (See Exhibit E). Manager shall inspect 100% of units in accordance with all Applicable Public Housing Requirements. Manager's audit of Tenant files shall not be financed from the Operating Budget.

#### **Section 7.2 Owner's Right to Audit**

Owner reserves the right to conduct or to appoint others to conduct examinations, without notification, including but not limited to, the books and records (in any form), equipment and personnel maintained for Owner by Manager and to perform any and all additional audit tests relating to Manager's activities hereunder.

#### **Section 7.3 Correction of Discrepancies**

In accordance with Article 9, should Owner or Owner's appointees discover either deficiencies in internal control or errors in record keeping, Manager may be deemed in default of the terms and conditions of the Agreement and shall correct such discrepancies either upon discovery or no more than thirty (30) calendar days from written notice of such discrepancy. Manager shall inform Owner in writing of the action(s) taken to correct such audit discrepancies.

## ARTICLE 8. COMPENSATION

### Section 8.1 Compensation

The total compensation for this Agreement is comprised of a Management Fee (“Management Fee”). During the base term of the Agreement, the annual Management Fee payable to Manager for its satisfactory performance under this Agreement shall be \_\_\_\_\_ and 00/100 (\$ \_\_\_\_\_), and an aggregate three-year base term compensation total of \_\_\_\_\_ and 00/100 Dollars (\$ \_\_\_\_\_). The annual Management Fee shall be paid in twelve equal monthly installments, paid by Owner into a Depository Account held by Manager within 30 days of receipt of invoice.

### Section 8.2 Performance Standards

The Management Fee set forth in Section 8.1 shall be subject to the Performance Standards and Adjustments to Compensation set forth in Exhibit M.

### Section 8.3 Non-Appropriation

Funding for this Agreement is subject to (a) availability of Federal funds from HUD, (b) actual receipt of the Owner’s operating funds from HUD, and (c) appropriations by the CHA’s Board of Commissioners. No payments shall be made or due to Manager under this Agreement beyond those amounts appropriated and budgeted by the Owner to fund payments hereunder.

## ARTICLE 9. EVENTS OF DEFAULT, REMEDIES, TERMINATION AND RIGHT TO OFFSET

### Section 9.1 Events of Default Defined

Each of the following shall constitute an event of default:

- (a) Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by Manager to the Owner.
- (b) Manager’s failure to perform any of its obligations under this Agreement including, but not limited to, the following:
  1. Failure to perform the Services with sufficient personnel or with sufficient resources to ensure the performance of the Services or failure to perform due to a reason or circumstance within Manager’s control;
  2. Failure to meet any of the performance standards set forth in this Agreement (See Exhibit M);
  3. Failure to perform the Services in a manner reasonably satisfactory to the Owner or inability to perform the Services satisfactorily as a result of the occurrence of any event set forth in Section 9.1(d) to 9.1(f);

4. Failure to promptly cure or re-perform within a reasonable time Services or Deliverables that were rejected as erroneous or unsatisfactory;
  5. Discontinuance of the Services for reasons or circumstances not beyond Manager's control;
  6. Failure to comply with a material term of this Agreement, including, but not limited to, the provisions concerning compliance with HUD regulations, insurance and nondiscrimination;
  7. Any other acts specifically and expressly stated in this Agreement as constituting an event of default;
  8. Failure to cooperate with the CHA Inspector General in any investigations, audits, reviews, inspections or hearing;
  9. Failure to report fraud or other Corrupt Activity to the CHA Inspector General.
- (c) Any change in majority ownership control of Manager to a new member who is not currently a member of Manager without the prior written approval of the Owner, for which written approval shall not be unreasonably withheld, conditioned or delayed.
- (d) The filing of a voluntary petition of bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by Manager;
- (e) The consent to an involuntary petition in bankruptcy or the failure by Manager to have vacated within ninety (90) days from the date of entry thereof any order approving an involuntary petition;
- (f) The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating either Owner or Manager a bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee or liquidator of all or a substantial part of such party's assets, and such order, judgment or decree shall continue unstayed and in effect for a period of one hundred twenty (120) consecutive days;
- (g) Manager's default under any other agreement it may presently have or may enter into with the Owner during the Term of this Agreement. Manager acknowledges and agrees that in the event of default under this Agreement the Owner may also declare a default under any such other agreements.

## **Section 9.2 Default Notice and Remedies**

Within five (5) business days after Manager has been provided notice from Owner of the occurrence of each default, Manager shall provide a statement setting forth details of such default,

the action(s) that Manager has taken and/or proposes to take with respect to curing the default, and an estimated time period within which Manager will be able to cure the default.

Absent an agreed-upon time frame to cure an event of default, Manager shall be given thirty (30) calendar days to cure each event of default following Owner's notice. If Manager fails to commence, or continue diligent efforts to cure such default, following thirty (30) calendar days, the Owner may, at its sole option, declare Manager in default of this Agreement. Minimum Performance Requirements are set forth in Exhibit M.

Whether to declare Manager in default is within the sole discretion of the Owner and neither that decision nor the factual basis for it is subject to review or challenge under the disputes provision of this Agreement. Written notification of the default, issuance of sanction and any intention of the Owner to terminate the Agreement, shall be provided to Manager and such decision shall be final and effective upon Manager's receipt of such notice pursuant to Article 11. Upon issuing a default determination notice, the Owner may invoke any or all of the following remedies:

- (a) The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time period specified by the Owner.
- (b) The right to pursue any and all remedies, legal and/or equitable, available to the Owner.
- (c) The right to withhold all or any part of Manager's Management Fee hereunder with respect to Services not completed in accordance with the terms hereof prior to the termination of this Agreement.
- (d) The right to deem Manager non-responsible in future contracts to be awarded by the Owner.
- (e) The right to perform the Services on Manager's behalf, as agent for Manager, either directly or through others, and without waiving Owner's rights under this Agreement at law or in equity, and without releasing.

If the Owner considers it to be in its best interests, it may elect not to declare default or to terminate the Agreement hereunder. The parties acknowledge that this provision is solely for the benefit of the Owner and that if Owner permits Manager to continue providing the Services despite one or more events of default, Manager shall in no way be relieved of any of its responsibilities, duties or obligations under this Agreement nor shall the Owner be considered to have waived or relinquished any of its rights hereunder.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon any event of default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

### **Section 9.3 Termination Upon Damage or Sale**

This Agreement shall be terminated automatically and immediately upon destruction, condemnation, sale, exchange or other disposition of the Property.

#### **Section 9.4 Termination for Convenience**

The Owner may terminate this Agreement, or all or any portion of the Services to be performed under it, at any time by written notice from the Owner to Manager when the Agreement may be deemed to be no longer in the best interest of the Owner. If the Owner elects to terminate the Agreement in full, all Services to be provided hereunder shall cease at least sixty (60) days after the date written notice was provided, or a date mutually agreed upon between the parties. Manager shall continue to render the Services until the effective date of termination. No cost incurred by Manager after the effective date of termination shall be allowed. Subject to performance within the requisite performance standards and audits of invoices as set forth above, the Owner shall pay to Manager on a pro-rata basis, cost incurred for Services rendered through the date of termination.

#### **Section 9.5 Termination by Manager**

Manager may terminate this Agreement by giving one hundred twenty (120) days written notice to the Owner if the Owner defaults in its obligations under this Agreement. If Manager elects to terminate the Agreement, all services to be performed hereunder shall cease one hundred twenty (120) days after the date of receipt of the notice in accordance with notice provisions of this Agreement, or a date mutually agreed upon between the parties. In no event shall Manager be permitted to abandon the Property or terminate the Services prior to expiration of the notice period.

#### **Section 9.6 Effect of Termination**

Upon termination pursuant to this Article 9, Manager and Owner shall have no further duties and obligations to one another, except as otherwise provided in this Agreement. Manager shall turn all books and records, outstanding bills, current receipts and bank accounts (other than the Depository Account), and Tenant ledgers over to Owner immediately. Owner shall pay all accrued Management Fees due to Manager under the Agreement within one hundred twenty (120) days of final termination. Manager shall, on or before the effective termination date, reconcile its Management Fee balance and make any monetary adjustments required by Owner.

#### **Section 9.7 Duties Upon Termination**

Upon termination of this Agreement for any reason:

- (a) Manager shall have no further right to act on behalf of Owner or to disburse any of Owner's funds;
- (b) Manager will immediately deliver to Owner, at no cost to Owner, all Books and Records (as herein defined) maintained by it pursuant to this Agreement and do all that is reasonably necessary to facilitate the orderly transition of management of the Property;

- (c) Manager shall render to Owner an accounting of all funds of Owner held by Manager relating to the Property and shall immediately cause such funds to be paid to Owner;
- (d) Manager shall perform all reporting and accounting functions hereunder for the period from the date of the last report or accounting to the date of termination, including year-end IRS Form 1099 processing under its tax identification number; and
- (e) Manager shall be responsible for losses incurred by Owner as a result of Manager's failure to maintain or provide records required to be maintained under this Agreement.
- (f) Manager shall use best efforts to transition to any successor property management company, all contracts, leases or other agreements Manager entered into under or pursuant to the terms of this Agreement. The responsibility of such transition belongs solely to Manager and Manager agrees that it will not attempt to hold the Owner accountable for any contracts, leases or other agreements that Manager entered into for any reason. Manager further accepts responsibility for paying all of Owner's costs, including reasonable attorney's fees, for any action that arises against the Owner regarding the contracts, leases or agreements entered into by Manager under this Agreement.
- (g) Manager shall flow down terms of this Section 9.7 to all of its contracts associated with the Property and shall assure no interruption of Services at the Property.

### **Section 9.8 Right to Offset**

To the extent permitted by applicable law:

- (a) In connection with performance under the Agreement, the Owner may offset any incremental costs and other damages the CHA incurs in any and all of the following circumstances.
  1. If the Owner terminates the Agreement for default or pursuant to any other termination right hereunder arising from Manager's performance or non-performance;
  2. If the Owner exercises any of its remedies under Section 9.2 of the Agreement;
  3. If the Owner has any credits due under any agreement entered into pursuant to the terms of this Agreement or has made any overpayments under the Agreement.

The Owner may offset such incremental costs and any other damages by use of any payment due for Services completed before the Owner terminated the Agreement or before the it exercised any remedies. If the amount offset is insufficient to cover



those incremental cost and other damages, Manager shall be liable for and must promptly remit to Owner the balance upon written demand. The right to offset is in addition to and not a limitation of any other remedies available to Owner.

- (b) Without breaching this Agreement, Owner may set off a portion of the Management Fee due under this Agreement in an amount equal to the amount of any liquidated or unliquidated damages or claims that Owner has against Manager arising out of any other agreements between the parties or otherwise unrelated to this Agreement. If and when the Owner's claims against Manager are finally adjudicated in a court of competent jurisdiction or otherwise resolved, Owner will reimburse Manager to the extent of the amount Owner has offset against this Agreement inconsistently with the determination or resolution.

## **ARTICLE 10. WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS**

### **Section 10.1 Warranties, Representations and Covenants**

In connection with the execution of this Agreement, Manager warrants and represents to the Owner:

- (a) That Manager is financially solvent; and that it and each of its employees or agents of any tier is competent to perform the Services required under this Agreement and possesses all licenses required to perform the Services; and that Manager 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 Owner is employed by Manager or has a financial interest directly or indirectly in this Agreement or the compensation to be paid hereunder, except as may be permitted in writing by Owner and HUD, and that no payment, gratuity or offer of employment shall be made in connection with this Agreement by or on behalf of Manager to any employee of Owner; and Manager 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 Owner.
- (c) That Manager and its subcontractors, if any, are not in default at the time of the execution of this Agreement or determined by the CHA's Department of Procurement and Contracts to have been, within the last five (5) years, 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 Owner, its officials, officers, agents, or employees, has induced Manager to enter into this Agreement or has been relied upon by Manager.

- (e) That Manager has carefully examined and analyzed the provisions and requirements of this Agreement and that it understands the nature of the Services required;
- (f) That Manager acknowledges that the CHA, in its selection of Manager to perform the Services hereunder, materially relied upon Manager'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 Manager 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 public contracts funded with federal government funds, the Illinois Criminal Code, 720 ILCS 5/33E-1 et seq. (1989), as amended; and the CHA's Ethics Policy, as amended (See Exhibit E) and during the term of the Agreement will not violate the provisions of such laws and policies.
- (h) That Manager has disclosed any and all relevant information to Owner, and Manager understands and agrees that any certification, affidavit or acknowledgment made under oath or failure to disclose in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination of this Agreement.
- (i) That Manager is a duly organized and validly existing entity under the laws of the State of Illinois and has and will continue to have at all times during the term of this Agreement, all licenses and permits necessary to render the Services required hereunder.
- (j) That Manager 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 Manager.

### **Section 10.2 Joint and Several Liability**

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

### **Section 10.3 Business Documents and Manager's Affidavit**

Manager shall provide to Owner evidence of its authority to conduct business in the State of Illinois, including without limitation, registrations of assumed names and certifications of good standing with the Office of the Secretary of the State of Illinois. CHA's Diversity and Inclusion Contract Requirements (Exhibit G) and Manager's Contractor's Affidavit (Exhibit H), are incorporated by reference as if fully set forth herein, and Manager shall at all times comply with the requirements set forth in these exhibits.

#### **Section 10.4 Conflict of Interest**

- (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) Manager covenants that it and its employees, or subcontractors, presently have no interest and shall acquire no interest, direct or indirect, in any other agreement which would conflict in any manner or degree with the performance of the Services hereunder. Manager further covenants that during the performance of this Agreement, no person having any such interest shall be employed. Manager agrees that if the Owner determines that any of Manager's services for others conflict with the Services that Manager is to render for Owner under this Agreement; Manager shall terminate such other services immediately upon Owner's request.
- (c) Additionally, pursuant to the conflict of interest provisions in 2 C.F.R. §200.318 (c), 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 HUD activity, or have an interest in any other 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, Manager 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.

#### **Section 10.5 Non-Liability of Public Officials**

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

#### **Section 10.6 Independent Contractor Status**

Manager and the Owner recognize that Manager is an independent contractor and not an employee, agent, partner, joint venturer, covenantor, or representative of the Owner and that the Owner will not incur any liability as the result of Manager's actions. Manager and its employees, representatives, and agents shall at all times represent and disclose that they are independent contractors of the Owner and shall not represent to any third party that they are an employee, agent, covenantor, or representative of the Owner. The Owner shall not be obligated to withhold any funds from Manager for tax or other governmental purposes, with respect to its employees, agents, representative or subcontractors. Manager, its employees, representatives, and agents shall not be entitled to receive any employment benefits offered to Owner's employees including workers' compensation insurance coverage.

Under no circumstance shall Manager undertake any action in connection with the Services other than in accordance with the terms of this Agreement. Any directives by a CHA employee contrary to the terms of this Agreement are *ultra vires* as to that CHA employee.

## **ARTICLE 11. COMMUNICATION AND NOTICES**

### **Section 11.1 Communication Between the Parties**

Manager shall meet with Owner upon Owner's written request and shall keep Owner advised of items materially affecting the Property. All verbal and written communication, including required reports and submissions, between Manager and Owner shall be through the CHA's Property Department, 60 E. Van Buren St., 13<sup>th</sup> Floor, Chicago, IL 60605, or electronic mail, 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 11.2 Notices**

All notices, demands and consents, provided for in this Agreement shall be given in writing and shall be deemed received by the addressee (a) on the third day after mailing if mailed by United States certified or registered mail (mail return receipt requested, postage prepaid), or (b) on the day delivered if personally delivered or sent via electronic mail; or (c) one business day after being sent, if sent by overnight mail or overnight courier, or electronic mail, in each case to the parties at the following addresses:

If to Owner:	Chicago Housing Authority 60 E. Van Buren Street, 13 <sup>th</sup> Floor Chicago, Illinois, 60605
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Attn: Deputy Chief of Property and Asset Management  
E-mail: [llangston@thecha.org](mailto:llangston@thecha.org)

With a copy to: Chicago Housing Authority  
60 E. Van Buren Street, 12<sup>th</sup> Floor  
Chicago, Illinois 60605  
Attn: Chief Legal Officer  
E-mail: [eharris@thecha.org](mailto:eharris@thecha.org)

If to Manager: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
E-mail: \_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
E-mail: \_\_\_\_\_

A party may change the above addresses by written notice to the other party.

## ARTICLE 12. MISCELLANEOUS PROVISIONS

### Section 12.1 Entire Agreement

This Agreement and the Exhibits attached hereto 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 12.2 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 Manager and by the Owner or his/her respective designees. Owner shall incur no liability for additional Services without a written amendment to this Agreement pursuant to this Section.

Whenever in this Agreement Manager is required to obtain prior written approval, the effect of any approval which may be granted pursuant to Manager's request shall be prospective only from the later of the date approval was granted 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 12.3 Consent**

Whenever in this Agreement the consent or approval of Manager or Owner is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed. Such consent shall be in writing and shall be duly executed by an authorized officer or agent for the party granting such consent or approval.

### **Section 12.4 Manager's Authority**

Manager's authority is expressly limited to the provisions contained herein and incorporated herein as they may be amended in writing from time-to-time in accordance with the provisions of this Agreement. Owner expressly withholds from Manager any power or authority to make any structural changes in the Property or to make any other major alterations or additions in or to the Property or fixtures or equipment therein, or to incur any expense chargeable to Owner other than expenses related to exercising the express powers granted to Manager by the terms of this Agreement without the prior written consent of Owner.

### **Section 12.5 Supervision**

In accordance with this Agreement, Manager shall have the right to engage independent contractors to perform duties under this Agreement as Manager deems necessary, but Manager is responsible for supervising the performance of such duties at all times.

### **Section 12.6 Deemed Inclusion**

Provisions required by applicable federal, state, county or municipal law, statutes, ordinances, rules, regulations or executive orders to be included in this Agreement are deemed inserted in this Agreement whether or not they appear in the Agreement or, upon application of either party, the Agreement shall be amended to make this insertion; however, in no event shall the failure to insert the required provisions before or after the Agreement is signed prevent its enforcement.

### **Section 12.7 Severability**

If any provisions of this Agreement 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. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

### **Section 12.8 Jurisdiction**

This Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois without reference to any conflict of laws principles or rules that would result in the application of the laws of another state. Manager 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. Manager agrees that service of process on Manager 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 Manager, or by personal delivery on any managing partner, partners and principals of Manager. If Manager 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 12.9 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 12.10 Successors and Assigns; Assignment**

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 successors, transferees and assigns. Manager shall not assign this Agreement or delegate any of its obligations hereunder without Owner's express written consent, and any attempted assignment or delegation in violation of this Section 12.10 shall be void.

### **Section 12.11 Cooperation**

If any claims, demands, suits, or other legal proceedings which arise out of any of the matters relating to this Agreement be made or instituted by any third party against either Owner or Manager, Owner or Manager shall cooperate with each other in all reasonable respects and shall give to each other all pertinent information and reasonable assistance in the disposition thereof, at its sole expense. Manager agrees at all times to cooperate fully with Owner and to act in Owner's best interests if this Agreement is terminated for any reason, or if it is to expire on its own terms.

### **Section 12.12 Waiver**

Whenever under this Agreement, Owner, by a proper authority, expressly waives Manager's performance in any respect or expressly waives a requirement or condition to either the

Owner's or Manager'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 Owner may have waived the performance of a requirement or condition.

### **Section 12.13 Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, when taken together, constitute one and the same document. Return of this document by electronic transmission bearing the signature of a party hereto, constitutes the execution and acceptance of such party. This Agreement may be executed via DocuSign or other electronic signature software, which shall be deemed an original.

### **Section 12.14 No Third-Party Beneficiaries**

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

### **Section 12.15 HUD Disclaimers**

- (a) Nothing contained in the ACC or this Agreement, nor any act of HUD or the Owner, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD except between HUD and the Owner as provided under the terms of the ACC.
- (b) Manager acknowledges that any transfer of public housing funds by Owner to Manager shall not be deemed an assignment of such funds. Manager will not succeed to any rights or benefits of the Owner under the ACC or attain any privileges, authorities, interest, or rights in or under the ACC.
- (c) Manager agrees to ensure that paragraphs (a) and (b) of this Section are inserted into any contract or subcontract involving the use of HUD funds in connection with the Property.

*Signature Page Follows*



**IN WITNESS WHEREOF**, the parties have caused this Professional Property Management Agreement to be executed and become effective as of September 1, 2025.

**CHICAGO HOUSING AUTHORITY**

\_\_\_\_\_,  
an Illinois Corporation

By: \_\_\_\_\_  
Sheila Johnson  
Deputy Chief Procurement Officer

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_  
Elizabeth Silas  
Interim Chief Legal Officer

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**EXHIBIT A**  
**PROPERTY**

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## EXHIBIT B

### STATEMENT OF WORK

Owner's focus shall provide oversight of and guidance to Manager in its performance of Services at the Property. Manager shall perform the following Services in accordance with the terms set forth in this Agreement.

#### 1. **Occupancy Administration:**

- a. **Leasing** – Manager is responsible for the marketing and leasing of available units in accordance with the Administration and Continued Occupancy Policy (“ACOP”) and is expected to maintain occupancy at or above 98%. To view the ACOP visit <https://www.thecha.org/about/plans-reports-and-policies>.
- b. **Tenant Re-examination** – Manager shall perform a complete re-examination of Tenant households in a timely manner and in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and the ACOP.
- c. **Lease Enforcement** – Manager shall enforce the CHA Residential Lease in accordance with the ACOP and Admin Plan.
  - a. Lease enforcement actions must be clear, timely, and fairly applied in accordance with all CHA policies.
- d. **Mandatory Attendance** – Private Management Firm is required to have full participation in all CHA activities, including board meetings, building meetings, emergency meetings, budget presentation and review, elections, and owner surveys. The management firm is required to provide all meeting agendas and minutes, along with their notes of key items from any meeting to the CHA Portfolio Manager for review and recommendations on next steps, where applicable. In Associations where CHA's percentage of ownership is significant enough for votes to secure CHA a seat on the Board of Directors, participation at that level is required by the management firm, as an agent for CHA.

#### 2. **Building Operations and Maintenance:**

- a. **Building Systems Preventive Maintenance** - Preventive maintenance (PM) is a proactive strategy for building maintenance that keeps the building's critical assets in good working order. It includes regular inspections and selective service and repairs to the building's equipment at set intervals based on usage or time. Service completed in this regard is not based on the component's condition. CHA staff or a designated third-party vendor may determine that the building systems are poorly maintained by the PPM, CHA reserve the right to identify and deploy a vendor to address the building equipment where applicable at the PPM's expense. A default notice is not required prior to implementing a response.
- b. **Preventive Maintenance and Work Orders (Emergency and Non-Emergency)** – Manager must adhere to the CHA's Work Order Policy and

perform necessary maintenance and repairs promptly while being courteous to CHA residents.

- c. **Long Term Maintenance/Replacement/Capital Needs Planning** – Manager must prepare and maintain long term maintenance, replacement and capital needs plans and schedules, as well as oversee any needed construction, in coordination with the CHA.
- d. **Unit Turns** – PPM shall be responsible for unit turns and completing the work within 30 days of a unit becoming vacant. PPM shall utilize Section 3 Business Concerns for unit turn work.
- e. **Vacant Unit Readiness** - All vacant units must be trashed out and have active utilities within 72 hours or no later than three days after the official moveout. If a unit is not going to be ready by the 3<sup>rd</sup> day, the property PPM must notify owner in writing with a plan of action
- f. **Cleanliness** - The Chicago Housing Authority’s requirement for the Professional Property Management companies to maintain cleanliness & sanitation (to a professional standard) of all residential assets with areas and items therein being free of visible dirt and debris. Daily janitorial services performed as well as periodic reconditioning of walls and flooring is the basis of property management in relation to ensuring proper upkeep of any development (internally and externally) while simultaneously enhancing the quality of life for residents within its structure. If it is determined by CHA staff that the development is not being maintained in this realm as contracted after the expiration of the allotted time provided to cure, CHA reserves the right to identify and deploy a vendor to address the existing violations at the PPM expense. A default notice is not required prior to implementing the response.
- g. **Fixed Assets** – PPM shall be responsible for the proper care of and accounting for all of Owner’s fixed assets (See Exhibit N of the Professional Property Management Agreement).
- h. **Section 3 Business Concern Preference** – Whenever feasible, PPM should utilize Section 3 business concerns in furtherance of the compliance goals set forth in Section 3.9 of the Professional Property Management Agreement.
- i. **Green Operations and Maintenance** – PPM is encouraged to use green operations and maintenance innovations for the Property, where feasible, including implementing a CHA approved plan for water conservation and implementing and maintaining a green purchasing policy which considers and improves indoor air quality.
- j. **Code Violations** – PPM must respond appropriately to all notices from the City of Chicago and other governmental entities regarding the condition of the Property, including engaging legal counsel, at PPM’s sole expense, to represent the interests of the CHA in any administrative hearings or court actions. PPM agrees to submit monthly updates on the status of its defense of the code violations and provide proof of payment to the appropriate government agency that issued the citation or notice of violation.

- k. **Fines, Penalties and Late Fees** – PPM is responsible for the payment of all fines and penalties assessed against the Property. These payments may not be charged against the property budget.
  - l. **Management Plan** – PPM shall prepare an annual Management Plan for each Property which will provide for clear and consistent communication with residents and be submitted for approval by the CHA. Plans for the acquisition and retention of qualified staff, and the maintenance of necessary staffing levels should be outlined.
  - m. **Technology and Systems** – PPM must utilize CHA’s designated system of record that Owner may implement to manage and track all relevant information of units, applicants, residents, properties, budgets, and expenses. PPM must also use CHA’s preferred compliance tracking software (B2G now and LCP Tracker). PPM may use other standard business software (e.g., Microsoft Outlook, Word, Excel, Access) for its electronic storage and communication of files with Owner.
  - n. **Other Administrative Requirements** – PPM shall adhere to a variety of other administrative requirements, such as:
    - i. Provide support during internal and external audits;
    - ii. Run and submit reports to CHA on as-needed/on-going basis. Take appropriate corrective actions;
    - iii. Maintain appropriate office hours. The required hours of operation for each property are 8 am to 5 pm, Monday – Friday, except for holidays observed by CHA. PPM must hold some evening and weekend hours each month to accommodate working residents; and
    - iv. PPM shall maintain a twenty-four (24) emergency response system. PPM must maintain an after hour answering service staffed by a live person (not recording), prepared to forward emergencies to the assigned maintenance and/or management personnel on a 24-hour basis. The assigned staff must promptly respond to emergencies and immediately notify the Owner. PPM shall further report the emergencies, actions taken and any abatement procedures to Owner within twenty-four (24) hours of such event, and in accordance with CHA procedures.
3. **Property Inspections:**
- Inspections** – PPM must prepare for and participate in any required inspections of the Property. In addition, PPM is expected to document all observable deficiencies, resident infractions, repairs, and other matters that require work orders to be generated. PPM shall always comply with the Private Property Management Procedural Manual.
- Unit Inspection** - PPM will be required, within the first 90 days of this Agreement, to walk every property in its assigned portfolio, and is required to submit a unit condition and an occupancy report.

4. **Safety and Emergency Response:**

- a. **Safety and Security** – PPM will coordinate with CHA’s Safety and Security and Emergency Services teams as well as the Chicago Police Department, Chicago Alternative Policing Strategy (“CAPS”) and the Chicago Fire Department.
- b. **Risk Management** – PPM must ensure its employees are following safety procedures, correcting unsafe conditions, filing incident reports for insurance purposes, and taking necessary steps to minimize risk and exposure.
- c. **Well-Being Checks** - Well-being checks will be required during extreme weather events. During extreme weather events PPM is required to complete the following:
  - i. Perform well-being checks on frail residents at 9 am, 2 pm, and 6 pm.
  - ii. Record in-unit temperatures with a non-contact infrared thermometer.
  - iii. Report finding to Emergency Services Operation Center (ESOC) no more than 90 minutes after the cycle of well-being checks begin.
  - iv. If a unit registers at an unacceptable temperature, report the finding immediately to CHA and ESOC, then attempt to cure.
- d. **Emergency Relocation** – PPM shall secure emergency hotel accommodations for residents if their unit(s) becomes uninhabitable. Additionally, PPM shall budget for advancing payment of such accommodations upfront, in accordance with any hotel policies.

5. **Resident File Management:**

**File Retention** – PPM will adhere to the CHA Records Management Policy and all applicable federal (i.e., HUD), state and local laws, statutes, policies, ordinances, rules, regulations, and executive orders.

**File Audits** - PPM will be required to certify on day one of the transition that all files are present. PPM will have 1 calendar year from the start of the contract to audit 100% of residential files and confirm completion by the 1<sup>st</sup> day of year 2 of the contract.

**File Certification** – PPM must audit, correct (when applicable), and certify that residential files are compliant in the month of renewal. This is applicable to files with annual, biennial or a triennial lease despite the year the actual renewal is due.

Files are required to be maintained in the management office and/or CHA’s electronic file management system, as applicable. All files shall be maintained in an organized manner, in accordance with all HUD and other applicable requirements, and must be kept current and secure. PPM shall scan paper copies of files into electronic records, organize them in CHA’s file management system, and cooperate with CHA and its assigns, if any, to ensure efficient and effective access to CHA files and records remotely. At a minimum, PPM’s files shall be maintained on the following:

- i. Resident files
- ii. Unit files
- iii. Procurement/Compliance files
- iv. Work order files, including NSPIRE inspections
- v. Inventory files
- vi. Preventive Maintenance/Warranty files.

**6. Customer Service Satisfaction:**

**a. Customer Service** – PPM must provide customer service communication with integrity that is clear, consistent, transparent, and respectful for the interactions with a diverse resident population:

- i. PPM should incorporate the following customer service components into its business practice: Accountability, Timeliness, Internal Controls, Organization Standards, Professionalism, Recruitment and Retention of Professional Personnel, Collaboration;
- ii. PPM must utilize CHA’s Language Access Plan to provide multilingual services to CHA residents with Limited English Proficiency [“LEP”] visit <https://www.thecha.org/help/language-assistance>;
- iii. PPM should monitor internal customer service through appropriate evaluations;
- iv. PPM must perform random audits of Tenant files in CHA’s System(s) to ensure proper implementation of CHA’s policies, advisories and HUD PIH-Notices and regulations;
- v. PPM should ensure seamless and courteous services to internal and external customers;
- vi. PPM must designate a Language Access Liaison to ensure appropriate implementation of CHA’s Language Access Policy in every building; and
- vii. PPM may utilize CHA’s Community Alliance partners to coordinate marketing and outreach activities for hard-to-reach populations.

**b. Community Engagement** – PPM will foster crucial partnerships and expand education opportunities for CHA clients through community engagement, and the FamilyWorks provider for residents living in family properties including:

- a. Solidify CHA’s reputation as a reliable and accessible resource in the community;
- b. Develop new and beneficial partnerships that engage participants and neighbors solidifying CHA’s presence in the City of Chicago communities; and
- c. Conduct wellness checks to provide assistance when needed.

**c. Coordination with Appropriate Services** – PPM shall work with social services via the Resident Service Coordination Program which will link CHA Senior residents to the social services and opportunities necessary to maintain a stable and high quality of life.

**d. Quality Control** – PPM shall implement a quality control program (“QC”) designed to assure quality in the services being provided. The QC program should

also include procedures for an internal audit of PPM's own processes to be conducted and reported to the CHA.

- e. **Wellness Checks** – PPM must perform wellness checks in accordance with CHA procedures, and any local ordinances.

7. **Rent Collection:**

PPM must collect at least 98% of the total monthly rent due, while diligently working toward 100% collection.

8. **Compliance:**

**Regulatory and Legal Compliance** – PPM shall comply fully with all federal, state, county, municipal, and special district laws, ordinances, rules, regulations, orders, consent decrees, voluntary compliance agreements and settlement agreements, as they relate to PPM's performance of duties in this Statement of Work.

9. **Financial Reporting:**

PPM must perform its fiscal responsibilities for sound financial management and adhere to Generally Accepted Accounting Principles in record keeping and reporting. PPM must establish controls and follow best practices and procedures for budgeting, spending, incurring personnel and property maintenance costs, Tenant collections and deposits, Tenant ledger maintenance, reconciliation, and reporting.

10. **E-Banking Solutions:**

Subject to Owner's consent, PPM may utilize commercial industry standard e-banking platforms, including remote deposit, positive pay, account reconciliation and other applications including ACH and wire transfer.

11. **Procurements:**

PPM shall be responsible for Procurements up to \$200,000. Any procurements above \$200,000 must be routed through the CHA Department of Procurement and Contracts for handling. All procurements must follow the requirements outlined in Section 3.7 of the Professional Property Management Agreement, the Private PPMs Financial Procedures Manual (See Exhibit E of the Professional Property Management Agreement) and Required Reports (See Exhibit F of the Professional Property Management Agreement). PPM shall utilize along with its supplier list, the CHA Section 3 Business Concern portal to obtain potential vendors for quoting/solicitation purposes.

- a. All services shall be performed in conformance with the RFP, Management Plan and Governing Documents, as they may be modified from time to time by the Owner and upon appropriate written notice to PPM of those modifications, and other direction that the Owner may provide from time to time.
- b. CHA currently centrally procures the following services:
  - i. Security;



- ii. Waste and Recycling;
  - iii. Annual Inspections
  - iv. Elevator Maintenance and Repair;
  - v. Elevator Inspections;
  - vi. Background Screening Services;
  - vii. Towing Services;
  - viii. Laundry Services
  - ix. Integrated Pest Management; and
  - x. Materials and Supplies.
- c. While CHA may centrally procure services, the PPM may have management responsibilities of some centrally procured services, as determined by CHA.

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**EXHIBIT C**  
**OPERATING BUDGET**

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**EXHIBIT D**  
**MANAGEMENT PLAN**

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**THIS DOCUMENT IS CURRENTLY BEING REVIEWED AND UPDATED**

**EXHIBIT E**

**CHA GOVERNING DOCUMENTS**

1. Admissions and Continued Occupancy Policies (“ACOP”) (2020)
2. Non-dwelling Policy and Procedure (2009)
3. Request for Proposal (if language conflicts with other Governing Documents, the Governing Documents shall prevail) (2020)
4. The CHA Residential Lease Agreement (Parts 1 and 2) (2020)
5. Lease Riders – (If Applicable)
6. Non-dwelling Lease Agreement (2007)
7. Community Space Policy (2005)
8. CHA Grievance Procedure (2014)
9. Private Property Management Procedural Manual (2020)
10. CHA Records Management Policy (2014)
11. Chicago Housing Authority Moving to Work (“MTW”) Annual Plan (2015)
12. CHA Reasonable Accommodation Policy and Procedures (2011)
13. Private Managers Financial Procedures Manual (2020)
14. CHA Communications Equipment Policy (2003)
15. CHA Ethics Policy (2020)
16. CHA Language Access Policy and Procedures (2018)
17. UPCS Inspections Checklist (2020)
18. Horner Consent Decree (1995)
19. Cabrini Consent Decree (2000, as amended)
20. CHA Treasury/Private Property Management Banking Procedures (2020)
21. CHA Budget Policies and Procedures Manual

22. HUD Procurement Handbook (2019)
23. CHA Procurement Procedures Manual (2019)
24. CHA Procurement Policy (2015)
25. CHA General Business Expense Policy (2011)
26. CHA Information Technology Security Policy (2023)
27. Gautreaux Orders (2019)
28. CHA Travel Policy (2017)
29. General Depository Agreement (HUD 51999) (2020)
30. CHA Social Security Number Protection Policy (2018)

In the event of any conflict among the foregoing Governing Documents with regard to the Public Housing Units, the Applicable Public Housing Requirements shall, in all instances, be controlling. CHA reserves the right to adopt successor documents to the above-referenced Governing Documents and notify Manager of its compliance requirements with any such successor document without amendment.

## EXHIBIT F

### REQUIRED REPORTS

1. Monthly Procurement and Compliance Log
2. Financial Reports
3. Monthly reports for deposits of the Tenant collections and electronic Tenant deposits (rents, security deposits and other Tenant billings)
4. Monthly reconciliation of bank deposits to Yardi receipts, with a focus on undeposited collections and bank deposits not credited by bank, by property and bank accounts;
5. Monthly reconciliation of security deposit transactions processed to bank deposits for the month and for the ending Tenant security deposit ledger;
6. Monthly security deposit Activity Transfer Requests;
7. Reports of all expenses incurred but not submitted (unprocessed expenditure documents) in accordance with the established monthly General Ledger closing timelines; and
8. Reports regarding compliance in accordance with Section 3.7 and Exhibit G and Exhibit H of this Agreement.

**EXHIBIT G**

**CHA'S DIVERSITY AND INCLUSION CONTRACT REQUIREMENTS**

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**EXHIBIT H**  
**CONTRACTOR'S AFFIDAVIT**

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**EXHIBIT I**

**ILLINOIS EQUAL EMPLOYMENT OPPORTUNITY CLAUSE**

**TITLE 44: GOVERNMENT CONTRACTS, PROCUREMENT AND PROPERTY  
MANAGEMENT**

**SUBTITLE B: SUPPLEMENTAL PROCUREMENT RULES**

**CHAPTER X: DEPARTMENT OF HUMAN RIGHTS**

**PART 750 PROCEDURES APPLICABLE TO ALL AGENCIES**

**SECTION 750.APPENDIX A EQUAL EMPLOYMENT OPPORTUNITY CLAUSE**

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**Section 750.APPENDIX A Equal Employment Opportunity Clause**

**EQUAL EMPLOYMENT OPPORTUNITY**

In the event of Manager's non-compliance with the provisions of this Equal Employment Opportunity Clause or the Act, Manager may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be cancelled or voided in whole or in part, and other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, Manager agrees as follows:

- 1) That he or she will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, order of protection status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, military status or an unfavorable discharge from military service; and, further, that he or she will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any underutilization.
- 2) That, if he or she hires additional employees in order to perform this contract or any portion of this contract, he or she will determine the availability (in accordance with this Part) of minorities and women in the areas from which he or she may reasonably recruit and he or she will hire for each job classification for which employees are hired in a way that minorities and women are not underutilized.
- 3) That, in all solicitations or advertisements for employees placed by him or her or on his or her behalf, he or she will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, order of protection status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, military status or an unfavorable discharge from military service.
- 4) That he or she will send to each labor organization or representative of workers with which he or she has or is bound by a collective bargaining or other agreement or understanding, a notice advising the labor organization or representative of Manager's obligations under the Act and this Part. If any labor organization or representative fails or refuses to cooperate with Manager in his or her efforts to

comply with the Act and this Part, Manager will promptly notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations under the contract.

- 5) That he or she will submit reports as required by this Part, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Act and this Part.
- 6) That he or she will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purposes of investigation to ascertain compliance with the Act and the Department's Rules and Regulations.
- 7) That he or she will include verbatim or by reference the provisions of this clause in every subcontract awarded under which any portion of the contract obligations are undertaken or assumed, so that the provisions will be binding upon the subcontractor. In the same manner as with other provisions of this contract, Manager will be liable for compliance with applicable provisions of this clause by subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply with the provisions. In addition, Manager will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations.

(Source: Amended at 35 Ill. Reg. 3695, effective February 18, 2011)

**EXHIBIT J**

**HOLIDAY SCHEDULE**

**2025 HOLIDAY SCHEDULE**

**HOLIDAY**

**DAY OF OBSERVANCE**

New Year's Day	Wednesday, January 1, 2025
Martin Luther King Jr. Day	Monday, January 20, 2025
Lincoln's Day	Friday, February 12, 2025
Washington's Day	Monday, February 17, 2025
Memorial Day	Monday, May 26, 2025
Independence Day	Friday, July 4, 2025
Labor Day	Monday, September 1, 2025
Columbus Day	Monday, October 13, 2025
Veteran's Day	Tuesday, November 11, 2025
Thanksgiving Day	Thursday, November 27, 2025
Day-After Thanksgiving	Friday, November 28, 2025
Christmas Eve ( $\frac{1}{2}$ Day)	Wednesday, December 24, 2025
Christmas Day	Thursday, December 25, 2025
New Year's Eve ( $\frac{1}{2}$ Day)	Wednesday, December 31, 2025

**EXHIBIT K**

**GENERAL CONDITIONS FOR NON-CONSTRUCTION CONTRACTS  
HUD FORM 5370-C**

DRAFT

## EXHIBIT L

### INSURANCE REQUIREMENTS

Prior to the commencement of this Agreement, Manager agrees to procure and maintain at all times during the Term of this Agreement, the types of insurance specified below in order to protect the CHA from the acts, omissions and negligence of Manager, its officers, officials, subcontractors, joint venturers, partners, agents or employees. The insurance carriers used by Manager must be authorized to conduct business in the State of Illinois and shall have an A.M. Best rating of not less than A- VII. The insurance provided shall cover all operations under the Agreement, whether performed by Manager or by its subcontractor, joint venturers, partners, agents, officers or employees. Proof of coverage shall be submitted to CHA in the form of a properly executed Certificate of Insurance and all applicable policy endorsements. The non-submission of this proof, or submission of proof that is not in compliance with Manager's obligations under this Agreement does not constitute a modification of the requirements of this Agreement, nor does it constitute approval of Manager's insurance policy or terms that not compliant with this Agreement, nor a waiver of CHA's rights, including, to seek compliance with Manager's obligations under the Agreement.

The CHA has established an owner-controlled insurance program called the Property Managers' Insurance Program, (PMIP). The program consists of general liability insurance policies and a self-insured retention (SIR) layer to protect the CHA and its Property Managers against operational risks associated with the management of the residential developments. General Liability claims reported under the PMIP will be administered by CHA's third-party administrator under the direction of CHA Risk Management.

General Liability Insurance coverage afforded under the PMIP is provided for the property management firms solely with respect to those activities which fall within the scope of their duties under the Professional Property Management Agreement.

Independent of the general liability policy procured pursuant to the PMIP, Manager is required to maintain, throughout the Term of the Agreement, at Manager's expense, the following coverages identified below, which are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement and in no way warrant the sufficiency of the protection needed by the Manager.

#### **Professional Liability Insurance**

Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$5,000,000 per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the start of Services under the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

#### **General Liability Insurance**

General Liability Insurance provided shall have a limit of not less than Two Million Dollars (\$2,000,000) per occurrence with an aggregate of not less than Four Million Dollars (\$4,000,000).

The insurance policy is to include coverage for Bodily Injury and Property Damage, Contractual Liability, Products-Completed Operations, Personal & Advertising Injury. Policy shall name CHA as an additional insured and shall cover any acts of Manager outside the Scope of Services of the Private Management Agreement with CHA.

### **Sexual Abuse and Molestation**

When services or activities are provided to minors on (or off) the Premises, Sexual Abuse and Molestation Insurance coverage shall be maintained with a limit of \$1,000,000 per occurrence (or an endorsement of the commercial general liability policy with a separate sublimit in this amount). CHA shall be included as an additional insured under the policy on a primary and non-contributory basis.

### **Auto Liability Insurance**

If applicable, when any motor vehicles (owned, non-owned and hired), which are not owned by CHA, are used in connection with the Services to be performed, Manager shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, Combined Single Limits, for bodily injury and property damage. The CHA shall be endorsed as an additional insured on Manager's policy on a primary and non-contributory basis.

### **Workers' Compensation and Employer's Liability**

Coverage must be in accordance with the laws of the State of Illinois and endorsed with waiver of subrogation in favor of Chicago Housing Authority.

- Coverage A – Statutory Limits
- Coverage B - Employers Liability - \$500,000 bodily injury or disease each accident; each employee

**Crime or Fidelity** bond/policy which insures against losses resulting from dishonest or fraudulent acts committed by any employees or agents of Agent. The minimum limit maintained shall at least be equal to two (2) months' gross income from the Project with a maximum deductible of \$100,000.

### **Related Requirements**

Manager is responsible for insuring its own real and personal property (including but not limited to material, equipment, tools and supplies owned, rented or used by Manager) and waives its rights of subrogation against Owner with respect to loss or damage to such property. Manager agrees to maintain throughout the Term of this Agreement any additional insurance policies necessary to provide coverage for any and all activities performed outside of the Statement of Work of the Private Management Agreement with Owner. Manager is responsible for assessing its own risks and maintaining higher limits or broader coverages where deemed appropriate.

Prior to commencing work at any of Owner's property, a Certificate of Insurance which evidences the required insurance coverages shall be emailed to the assigned CHA Procurement Specialist.

Certificate Holder: Chicago Housing Authority  
60 E. Van Buren St.  
Chicago, Illinois 60605

Additional Insureds: Collectively referred to as the “Additional Insureds” shall include Chicago Housing Authority, Chicago Housing Administration, LLC; and/or other Limited Liability Company as established by CHA; its respective commissioners, board members, officers, directors, agents, property management firms, construction management firms, agents, employees, vendors, invitees and visitors.

Renewal Certificates of Insurance or such similar evidence are to be emailed to the Procurement Specialist and to the Manager/Director of CHA’s Risk Management department prior to expiration of insurance coverage. The receipt of any certificate does not constitute agreement by the CHA that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of this Agreement. The insurance policies shall provide for thirty (30) days written notice to be given to the CHA in the event that coverage is substantially changed, canceled or non-renewed, other than if such cancellation is for non-payment of premium, in which case the insurance company shall endeavor to provide ten (10) days written notice to CHA.

If any of the required insurance is underwritten on a claims-made basis, the retroactive date shall be prior to or coincide with the date of this Agreement and the Certificate of Insurance shall state the coverage is “claims made” and, also, the retroactive date. Manager shall maintain coverage for the duration of this Agreement. Any extended reporting period premium (tail coverage) shall be paid by Manager. Upon request, Manager shall provide to CHA, annually, a certified copy of the insurance policies obtained pursuant hereto.

Note: Developments under the Tax Credit Housing portfolio may be subject to additional insurance requirements as stipulated by lenders and/or investors.

### **Subcontractors Insurance Requirements**

Manager shall include the insurance requirements below in all subcontract agreements for work related to or performed on CHA Property. The insurance carriers used must be licensed to conduct business in the State of Illinois and shall have an A.M. Best rating of not less than A- VII. Under no circumstances shall work begin until insurance compliance has been met. It is the responsibility of the Manager to ensure all subcontractors carry, at a minimum, the following insurance:

### **Workers’ Compensation and Employer’s Liability**

Coverage must be in accordance with the laws of the State of Illinois and endorsed with waiver of subrogation in favor of Chicago Housing Authority.

- Coverage A – Statutory Limits
- Coverage B - Employers Liability - \$500,000 bodily injury or disease each accident; each employee

### **General Liability Insurance**

General Liability Insurance written on an occurrence form with limits of not less than One Million Dollars (\$1,000,000) per occurrence and aggregate of not less than Two Million Dollars (\$2,000,000). The insurance policy is to include coverage for Bodily Injury and Property Damage, Contractual Liability, Products-Completed Operations, Personal & Advertising Injury. Manager

and CHA must be included as additional insureds on the subcontractor's policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to Manager and/or CHA.

### **Sexual Abuse and Molestation Liability**

When vendors will provide services or activities to minors on (or off) the Premises, Sexual Abuse and Molestation Insurance coverage shall be maintained with a limit of \$1,000,000 per occurrence (or an endorsement of the commercial general liability policy with a separate sublimit in this amount). Manager and CHA shall be endorsed as an additional insured on Manager's policy on a primary and non-contributory basis.

### **Automobile Liability Insurance**

When any motor vehicles (owned, non-owned and hired) are used in connection with the Services to be performed, the subcontractor shall provide Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence Combined Single Limit, for bodily injury and property damage. Manager and CHA must be included as additional insureds on the subcontractor's policy on a primary and non-contributory basis.

### **Professional Liability**

When any architects, engineers, construction Managers, elevator repair professionals, etc., perform work, Professional Liability insurance covering acts, errors or omissions shall be maintained with limits of not less than Five Million Dollars (\$5,000,000) per occurrence is required. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the start of Services under this Agreement. A claims-made policy, which is not renewed or replaced, must have an extended reporting period of two (2) years.

### **Armed/Unarmed Security Professional Liability (E & O)**

The insurance requirements under this Agreement shall be maintained in a separate Professional Liability Policy or as an adjunct to the General Liability Policy through endorsement. If the coverage is provided through an endorsement to the General Liability Policy a copy of the endorsement must be attached to the certificate. This insurance shall cover bodily injury, property damage, damage to property in Subcontractor's care, custody, and control, or personal injury arising out of the Subcontractor's wrongful act(s) in an amount of not less than Five Million Dollars (\$5,000,000) and include a Lost Key Coverage Endorsement if the firm will possess keys to the property. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the start of services under this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

The policy must waive any right of recovery a subcontractor or its insurer may have against Manager and/or CHA because of payments made for injuries or damages arising out of your ongoing operations of "your work" done under a contract with that person or organization.

Umbrella Liability coverage, if applicable, is to follow the form of the General Liability Insurance requirements outlined above.

Additional coverages or higher limits may be required depending on the Statement of Work.



## SUBCONTRACTOR CERTIFICATES:

Certificate Holder: Manager's Corporate Name and Address

Additional Insureds: Collectively referred to as the "Additional Insureds" shall include Manager, Chicago Housing Authority, Chicago Housing Administration, LLC; and/or other Limited Liability Company as established by CHA; its respective commissioners, board members, officers, directors, agents, property management firms, construction management firms, agents, employees, vendors, invitees and visitors.

Primary Coverage: Subcontractor's insurance coverage shall be the primary policy. The Subcontractor/Vendor expressly understands and agrees that any insurance or self-insurance programs maintained by the CHA shall apply in excess of and shall not contribute with insurance provided by the Subcontractor/Vendor.

Certificate shall include the title of the development name and address and project or service provided by the Subcontractor/Vendor.

CHA in no way warrants that the minimum limits contained herein are sufficient to protect the CHA from liabilities that might arise out of the performance of the work under this Agreement by the Subcontractor, Vendor, Contractor or Consultants. The Manager and/or Subcontractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The Manager or any of its Subcontractors are not relieved of any liability or other obligations assumed or pursuant to the contract by reason of its failure to obtain or maintain sufficient insurance.

Manager must collect and maintain their subcontractor's Certificates of Insurance and endorsements and make available to CHA Department of Procurement and Contracts, and the Risk Management department for review. Renewal Certificates are required prior to expiration of insurance coverage. At the CHA's option, non-compliance will result in one or more of the following actions: (1) Manager will be immediately removed from CHA property and the Agreement revoked; (2) all payments due Manager will be held until Manager has complied with the Contract; or (3) Manager will be assessed Five Hundred Dollars (\$500) for every day of non-compliance. The receipt of any Certificate of Insurance does not constitute agreement by the CHA that the insurance requirements in the Contract have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Contract. The insurance policies shall provide for thirty (30) days written notice to be given to the CHA in the event coverage is substantially changed, canceled or non-renewed.

If the required insurance is underwritten on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the Certificate of Insurance shall state the coverage is "claims made" and also the retroactive date. Manager shall maintain coverage for the duration of the Contract. Any extended reporting period premium (tail coverage) shall be paid by Manager.

Upon request, Manager shall provide to the CHA, a certified copy of the insurance policies and endorsements obtained pursuant hereto. It is further agreed that Manager shall provide the CHA thirty (30) days written notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the Retroactive Date, cancellation and/or non-renewal.

Manager shall require all subcontractors to carry the insurance required herein and any additional coverage deemed appropriate for the scope of work being performed. Evidence of subcontractor's coverage must be submitted to CHA upon request. Failure of Manager to require all subcontractors to carry the required insurance hereunder, or failure of such insurance to adequately name and/or endorse the Manager and CHA as additional insureds, will be considered a breach of the Agreement, will trigger Manager's indemnification obligations under Section 6.2 of the Agreement, and will not be covered under the PMIP.

Manager expressly understands and agrees that, any insurance programs maintained by the CHA shall apply in excess of and will not contribute to insurance provided by the Subcontractor under any Agreement.

## EXHIBIT M

### PERFORMANCE STANDARDS

#### A. Description

Manager is expected to fulfill the performance requirements set forth herein. Each performance standard will be measured by Owner on a monthly, quarterly, and/or annual basis. Manager shall have an opportunity to review and, if necessary, dispute Owner's performance measurement data. Manager may also be asked to provide supporting documentation to refute performance measurement data. All performance standard scoring shall be rounded to the nearest whole percent. For example, an average score of (94.5%) shall be scored at ninety-five percent (95%) and 94.4 shall be scored at ninety-four percent (94%). Owner shall assess performance standards within thirty (30) days from the last day of the month.

In assessing performance, Owner may, at its sole discretion, utilize data and reports provided by Manager to support its determination. Under no circumstance will a Manager's independent report supersede Owner's template.

Manager is required to correct deficiencies found through quality control or file audit reviews. All corrective actions must be in accordance with the requirements established by HUD, the CHA's Admissions and Continued Occupancy Policy (ACOP), CHA's Administrative Plan, CHA's PPM Procedural Manual, and/or any formal CHA Advisory.

Each Performance Standard set forth below includes a brief description of the standard being assessed, followed by specific ranges for which Manager's performance shall be deemed "Acceptable".

#### B. Performance Standards and Adjustments to Compensation

**1. Leasing and Continued Occupancy:** Owner expects its lease-ready units to be maintained at an occupancy rate of at least 96%.

- Areas subject to review: All program types
- CHA management tool used to measure performance: Yardi/CHA's system of record
- Acceptable Performance Level: 96%

**2. Maintenance (Work Orders):** Emergency work orders are requests for repairs that cure, or abate, imminent threats to life, health, or safety (including fire safety). Manager must resolve emergency work orders within 24 hours of notification. Urgent work orders include items that, if not repaired, pose potential threat to life, facilities, health, and/or safety of residents. Urgent work orders must be addressed within 48 hours of notification. A routine maintenance (non-emergency and non-urgent) work order does not create an imminent safety risk and must be completed within five (5) days for

Senior properties and ten (10) days for Family properties. Such work orders consist of routine repairs to be completed by Manager. Owner has established timetables for the completion of emergency, urgent and routine/non-emergency maintenance work orders.

- Areas subject to review: All program types
- CHA management tool used to measure performance: Yardi/CHA's system of record
- Acceptable Performance Level: 98%

**3. On-Time Tenant Re-examinations:** Manager shall complete a re-examination for each participating family at the prescribed time(s) required by CHA's ACOP and Administrative Plan. Manager must ensure that Tenant re-examinations are conducted pursuant to HUD regulations and the CHA's ACOP, Administrative Plan, and any other relevant processes, policies, and regulations.

- Areas Subject to Review: All program types
- CHA management tool used to measure performance: HUD's system of record and/or Yardi/CHA's system of record
- Acceptable Performance Level: 98%

**4. Quality Control of Tenant Files:** All documents required by HUD, CHA's ACOP, CHA's Procedural Manual, a formal CHA advisory, or any other housing program requirements must be properly indexed in the Tenant's file folder at the time of Owner's review. Manager shall ensure that all items are properly indexed and calculated correctly in accordance with established requirements for any processed transaction. In the rating of the Manager's performance, an error found and corrected by the Manager prior to the CHA review is acceptable under the following conditions: (1) the error was identified prior to the effective date of the transaction; and (2) the error does not require a modification to the transaction effective date that would otherwise be in effect if the error was not made.

- Applicable subject area: All program types
- CHA management tool used to measure performance: Yardi
- Acceptable Performance Level: 98%

**5. Rent Collection:** Owner expects the Manager to collect and properly record at least 98% of the billed rent on a monthly basis.

- Areas subject to review: All program types
- CHA management tool used to measure performance: Yardi
- Acceptable Performance Level: 98%

**6. Work Compliance:** Owner expects the Manager to collect and properly record the correct status (i.e., Compliant, Safe Harbor, Non-Compliant, Exempt, and Legal) for all residents subject to CHA's Work Requirement.

- Areas subject to review: All program types
- CHA management tool used to measure performance: Yardi
- Acceptable Performance Level: 90%

**C. Miscellaneous**

**Tenant Relations:** Manager must provide excellent customer service and implement business models that address residents’ issues and concerns in a timely manner. Owner reserves the right to conduct periodic customer satisfaction surveys. Owner will review the survey tool with Manager prior to distribution. Surveys may be sent either electronically or during scheduled site visits.

- Areas subject to review: All program types
- CHA management tool used to measure performance: Resident Satisfaction Survey (See enclosed “Tenant Survey”)
- Scoring Range: 1.0 to 5.0
- Acceptable Performance Level: 3.75

**D. Summary of Performance Standards**

No.	Performance Indicator	Acceptable Performance Level
1	Leasing/Occupancy	96%
2	Maintenance (Work Orders)	98%
3	On-Time Tenant Re-examinations	98%
4	Quality Control of Tenant Files	98%
5	Rent Collection	98%
6	Work Compliance	90%

A pattern of performing below acceptable levels may

## **EXHIBIT N**

### **CHA FIXED ASSETS REQUIREMENTS SUMMARY**

Manager shall comply with CHA's Fixed Asset Policy regarding Capital Assets (assets that meet CHA's Fixed Asset criteria and are recorded on Owner's financial statements) additions, dispositions and transfers. Manager shall forward to the CHA's Portfolio Officer and the Comptroller all information regarding any acquisitions and dispositions of assets. Manager shall make periodic (semi-annual) confirmations to the Owner.

Manager shall be responsible for the proper care of and accounting for all of Owner's fixed assets, properties under Manager's control including any motor vehicles, heavy equipment or property purchased or otherwise acquired during the Term of this Agreement for use by Manager in performing its responsibilities under this Agreement. Manager shall be liable for any loss or damage to all such property under its control, other than for normal wear and tear.

Manager shall comply with all policies and procedures regarding the disposition of property, including obtaining the Owner's approval prior to disposing of any property.

Manager shall maintain an Inventory Register/Schedule to keep a perpetual record of all properties, in a manner prescribed by the Owner and in accordance with good business practices, including but not limited to: vehicles, equipment, materials, supplies and other goods, both expendable and non-expendable. All receipts and usage shall be posted in a timely manner. Manager shall tag or label all furniture and equipment under its control using the identification policy of the Owner. An initial inventory shall be conducted within (30) days of the effective date of this Agreement and shall be repeated within thirty (30) days prior to the expiration or termination of this Agreement. The Owner shall be advised of each planned inventory and offered the opportunity to witness the inventory process.