



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor, City of Urbana

**FROM:** Elizabeth H. Tyler, FAICP, Community Development Director

**DATE:** July 19, 2012

**SUBJECT: AN ORDINANCE APPROVING A THIRD AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT (Ecological Construction Laboratory – Super Energy Efficient Home, FY 2007-2008)**

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### **Description**

Included on the agenda of the July 23, 2012 special meeting of the Urbana City Council is an Ordinance Approving a Third Amendment to an Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Ecological Construction Laboratory – Super Energy Efficient Home, FY 2007-2008). The amendment will allow Ecological Construction Laboratory, LLC to pursue a lease purchase option for the project located at 1302 W Dublin, Urbana by providing down payment assistance for the project, as well as incorporating additional language into the agreement for the lease purchase option.

### **Background & Discussion**

Ecological Construction Laboratory, LLC (Eco Lab) originally signed a contract to construct an energy-efficient unit at 1302 W. Dublin on July 27, 2007. The Regulations pertinent to the HOME Program funding being provided in the contract stipulate that the project must be completed within five years of the initial contract execution. This deadline is July 27, 2012.

When it became evident in recent months that the unit could not be completed by the means of a traditional sale, City staff began working with David Young from Housing Action Illinois, who was contracted and referred by the Department of Housing and Urban Development (HUD) to provide technical assistance to help the City develop a reasonable alternative that would benefit all parties. HUD has agreed to allow the project to be converted to a lease purchase project, and a suitable buyer has been found who is receiving housing counseling to prepare her for homeownership. David Young helped with locating a housing counseling agency and is providing assistance with the lease purchase agreement.

In order to meet the deadline, staff is requesting approval from Council to commit an additional \$39,999 in CHDO project funding for the purpose of providing down payment assistance. These funds will be drawn from the currently unallocated CHDO project set-aside available in Fiscal Year 2011-2012 Annual Action Plan, and will assist the City meeting its HOME expenditure timeliness expectations.

The proposed amendment will provide for funding for the 1302 Dublin project as follows:

FY 2007-2008:	\$46,836 (previously allocated)
FY 2011-2012:	\$39,999 (new)
<b>TOTAL:</b>	<b>\$86,835</b>

The lease purchase agreement for 1302 W. Dublin must be signed by the program participant prior to July 27, 2012, the five-year deadline, in order to participate in the program. The participant will move in on October 1, 2012 when her lease at her current residence ends. Per the HOME Regulations, housing must be purchased by a homebuyer within 36 months of signing the lease purchase agreement. Following the purchase, the participant must then complete further homebuyer counseling as part of the lease purchase program, through METEC Housing Counseling Resource Center in Peoria, IL.

At the time of sale, the unit will be sold for \$114,500, which is the indicated value by sales comparison or the appraised value. The down payment assistance of \$39,999 will provide the gap financing needed for the homebuyer to afford the unit at a maximum loan amount of \$74,501.

Appraised Value:	\$114,500
Down Payment Assistance:	<u>- \$ 39,999</u>
Purchase Price:	\$ 74,501

## Options

1. Approve the Ordinance Approving a Third Amendment to an Urbana HOME Consortium Community Housing Development Organization Developer Agreement.
2. Approve the Ordinance with changes.
3. Do not approve the Ordinance.

## Fiscal Impact

If the amendment is not approved, the City will be responsible for repayment of \$39,028.43 to the Department of Housing and Urban Development (HUD) for failure to complete a HOME project within five years of a contract execution.

## **Recommendation**

Staff recommends approval of the Ordinance.

**Memorandum Prepared By:**

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**Jen Gonzalez, Grant Coordinator  
Grants Management Division**

Attachments:

- 1) An Ordinance Approving a Third Amendment to an Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Ecological Construction Laboratory – Super Energy Efficient Home, FY 2007-2008)
- 2) A Third Amendment to an Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Ecological Construction Laboratory – Super Energy Efficient Home, FY 2007-2008)

**ORDINANCE NO. 2012-07-079**

**AN ORDINANCE APPROVING A THIRD AMENDMENT TO AN URBANA HOME CONSORTIUM  
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT**

**(Ecological Construction Laboratory - Super Energy Efficient Home,  
FY 2007-2008)**

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by the U.S. Department of Housing and Urban Development (hereinafter "HUD") for purposed of receiving HOME Investment Partnerships (hereinafter "HOME") Program funds in the name of the Urbana HOME Consortium under provision of Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 et seq.) (hereinafter the "National Affordable Housing Act"); and

WHEREAS, the Urbana HOME Consortium has received HOME Program funds from HUD to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County, and

WHEREAS, the City of Urbana, as the lead entity of the Urbana HOME Consortium, has authority under the provisions of the HOME Program to amend a HOME Agreement; and

WHEREAS, on July 9, 2007 the Urbana City Council passed Ordinance No. 2007-07-067 approving and authorizing the execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008) (hereinafter the "Agreement") for the purpose of constructing an energy efficient, affordable housing unit; and

WHEREAS, on April 6, 2009 the Urbana City Council passed Ordinance No. 2009-04-029 approving and authorizing an amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008) for the

purpose of increasing the number of housing units to be constructed from one to two; and

WHEREAS, on December 21, 2009 the Urbana City Council passed Ordinance No. 2009-12-126 approving and authorizing a second amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008) for the purpose of increasing the HOME funding allocation from \$31,000 to \$47,836; and

WHEREAS, the City Council of the City of Urbana, Illinois, desires to amend said Agreement and all the Amendments hereto to allow Ecological Construction Laboratory to carry out a lease purchase program for one of the two properties under contract and to allocate additional funding for the purpose of providing down payment assistance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That a third amendment to an Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008), in substantially the form of the copy of said Amendment attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Amendment as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

**A THIRD AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT**

**(Ecological Construction Laboratory – Super Energy Efficient Home, FY 2007-2008)**

This Amendment is made this \_\_\_\_ day of \_\_\_\_\_, 2012, between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and **Ecological Construction Laboratory, LLC**, an Illinois Not-For-Profit Corporation (hereinafter “**DEVELOPER**”).

WHEREAS, following the adoption of the Agreement authorized in Ordinance No. 2007-07-067, and subsequent Amendments, due to change in circumstances the parties find it to be in their best interests and to advance the goals of the HOME Investment Partnerships Program, to further amend the agreement as set forth below.

For and in consideration of the mutual covenants herein contained, the parties agree that said Agreement and Amendments stand amended to the extent required to accomplish the following:

- 1) The DEVELOPER and GRANTOR agree that an additional \$39,999 is allocated to the Agreement from the Urbana HOME Consortium’s Fiscal Year 2011-2012 Community Housing Development Organization Set-Aside as authorized in the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2011-2012* for the purpose of providing down payment assistance to the eligible low income homebuyer participating in the lease purchase program at the property located at 1302 W Dublin, Urbana, IL for a total funding amount of \$87,835.
- 2) The DEVELOPER and GRANTOR agree that the DEVELOPER shall maintain a Lease Purchase Program Manual and all policies and procedures required as part of the HOME Program found at 24 C.F.R. Part 92.

3) The DEVELOPER and GRANTOR agree to adhere to the requirements stipulated in Attachment 10 and Attachment 11 to be adopted as part of the Agreement as attached hereto for the purpose of carrying out the Lease Purchase Program at the subject property.

All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and have caused this instrument to be executed by their duly authorized officials and corporate seals affixed hereto, all on the day and year first above written.

CITY

DEVELOPER

By: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

By: \_\_\_\_\_  
Katrin Klingenberg, Executive Director

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk



## Attachment 10

### Additional Requirements for Carrying out the Lease-Purchase Project at 1302 Dublin, Urbana, IL

#### Section 1: Affordability

The DEVELOPER shall comply with all income determinations and affordability requirements of the HOME Program as set forth in HUD Regulations 24 CFR 92.203 or 92.254, as applicable. The DEVELOPER shall determine each family's income eligibility by determining the family's annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The DEVELOPER is required to examine the family's income at the time the Lease Purchase Agreement is signed, not at the time of sale.

The purchase price shall not exceed the **appraised value of the unit**.

The HOME-assisted housing must be acquired by the homebuyer under the PROJECT within thirty-six (36) months from date of initial occupancy and remain the principal residence of the family during the ten year affordability period. The affordability period commences upon project completion. Project completion means that all necessary title transfer requirements to the DEVELOPER have been performed; construction has been completed; the project complies with the requirements of 24 CFR Part 92 (including the property standards under 24 CFR 92.251); the final drawdown has been disbursed for the project; the DEVELOPER has submitted all necessary demographic and financial information to the GRANTEE in the form of the Activity Completion Report; and the project completion information has been entered in the disbursement and information system established by HUD.

The affordability requirements as listed in Section 24 CFR 92.254(a)(4) apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements shall be imposed by deed restrictions, covenants running with the land or other mechanism approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. Said restrictions shall include that The GRANTOR may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.

In the event the housing does not continue to be the principal residence of the family for the duration of the Period of Affordability, the GRANTOR shall recapture a portion of the HOME Program assistance provided to the homebuyers in accordance with the terms and conditions provided in the loan agreement and note. The HOME Program funds provided under this AGREEMENT will be recaptured in accordance with 24 CFR 92.254(a)(5)(ii) and shall be repaid to the GRANTOR, recorded as CONSORTIUM program income in accordance with 24 CFR 92.503, and used in accordance with the requirements of the HOME Program.

Should the DEVELOPER fail to sell and transfer ownership of property assisted with HOME funds within thirty-six (36) months, the DEVELOPER shall maintain the HOME-assisted unit as affordable rental housing in accordance with 24 CFR 92.252 of the HOME Program regulations.

## **Section 2: HOME Project Requirements**

### Project Requirements:

HOME funds are provided as a **Deferred Payment Loan** at 0% interest to the Buyer.

The GRANTOR and DEVELOPER agree that the DOCUMENTS will be executed between the GRANTOR and the HOMEBUYER at the initial purchase closing for any housing unit receiving funds under the PROGRAM. The DOCUMENTS shall include language to ensure that the affordability period will be honored through the duration of this AGREEMENT and include provision for recapture of the HOME Program funds invested in the housing unit. GRANTOR staff will prepare these DOCUMENTS and the GRANTOR will pay recording fees for the DOCUMENTS.

This period of affordability shall commence the date that all necessary project information is provided to HUD via HUD's Integrated Disbursement and Information System (IDIS). GRANTOR agrees to enter all information provided into IDIS within 30 days of receipt. Should the PROJECT be modified after initial commencement date of the affordability period, a new affordability period may be re-structured.

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 24 CFR 92.254. Details of a recapture provision will be provided in the DOCUMENTS. Failure to ensure that the DOCUMENTS are executed at the initial purchase closing will result in withholding HOME Program funds until said item is addressed. DEVELOPER also agrees to reference these required DOCUMENTS in each of their PROJECT Agreement with the Homebuyer.

**DRAFT**

**Attachment 11  
Lease-Purchase Program**

**SAMPLE REAL ESTATE INSTALLMENT CONTRACT  
FOR LEASE-PURCHASE PROGRAM**

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THIS CONTRACT, made and entered into by and between the Ecological Construction Laboratory, LLC, An Illinois Not-For –Profit Corporation, referred to as “Seller”, and \_\_\_\_\_ Referred to as “Buyer”

WITNESSETH:

1. **Sale.** Seller agrees to sell and Buyer agrees to buy, upon the terms and conditions contained in this Contract, the following described real estate located in the City of Champaign, County of Champaign, State of Illinois:

Lot:

Which is commonly referred to as 1302 W Dublin, Urbana, Illinois 61801 and improved with a residence. Title will be conveyed through a Corporate Special Warranty Deed, subject to (i) covenants, conditions and restrictions apparent or of record; (ii) private, public and utility easements and roads and highways, if any; (iii) party wall rights and agreements, if any; (iv) special taxes, assessments or improvements not yet completed; (v) any unconfirmed special tax or assessment; (vi) installments not due at the date hereof of any special tax of assessment or improvements heretofore completed; and (vii) general taxes for the year 2012 and subsequent years, including taxes which may accrue by reasons of new or additional improvements during the year(s) 2012.

2. **Personal Property.** Personal property located on the described real estate is as follows:

Such property shall remain the property of Seller during the period of this Contract and will be conveyed to Buyer at closing of this purchase.

This sale is specifically contingent upon the performance of the covenants and agreements on the part of Buyer hereinafter stated. No broker or other agent is a party to this sale and no commission or fee obligations have been incurred by Buyer relative to this Contract. Buyer hereby agrees to indemnify, defend and hold Seller harmless against any claims for commissions or fees made by brokers or agents.

3. **Buyer’s Purchase Price.** The purchase price of the property shall be the appraised value of the home.

4. **Forgivable Grant.** Upon the successful completion of this contract and immediately following the Buyer's closing for a first mortgage on the Property, the Buyer shall sign a ten-year forgivable note and mortgage or land use restriction agreement (see copies attached) for **\$39,999.00** with the Seller for the purpose of maintaining this property as their primary residence for a period not to exceed ten years upon the terms listed on attached documents.
5. **Financing of Lease-Purchase Loan.** Upon successful completion of the terms of this Contract and reverification of Buyer's relevant financial qualifications by lender of buyer's choice or its assigns ("Lender") and approval by Lender, Buyer shall obtain financing through the lender of his/her choice. This transaction shall take place no later than **July 27, 2014.**
6. **Conveyance of Property.** At the Lease-Purchase Loan closing, Seller shall convey the subject property. Via Corporate Special Warranty Deed, to Buyer, subject to title insurance requirements cited below.
7. **Composition of Monthly Payments.** During the period of this Contract, Buyer shall make monthly payments of the following to Seller:
  - (a) *Principal and Interest.* Buyer shall pay the amount of \_\_\_\_\_ Dollars and XX/100 (\$XXX.XX), which is equivalent to the principal and interest required by the Lease-Purchase Loan. The principal and interest portion of this payment is based on amortization of the Lease-Purchase Loan at 6.5% annual rate for three (2) years.
  - (b) Tax/Insurance Escrow. The tax/insurance escrow portion will be based on annual escrow analysis by Busey, as communicated to Seller. The initial monthly tax/insurance escrow amount at the execution of this Contract shall be, (XXX.XX). Taxes (XXX.XX) & Ins. (XX.XX).
  - (c) Savings Escrow Payment. Buyer shall open a savings account and make monthly payments of \_\_\_\_\_ Dollars and XX/100 (XX.XX) to be deposited in a Savings Escrow Account held by Buyer. These saving escrow deposits shall remain on account with Buyer for the duration of this Contract and be handled in accordance with this Contract, as described hereinafter.
  - (d) Maintenance Fee Payment. Buyer shall pay monthly to Seller the amount of Fifty Dollars (\$50.00).
  - (e) Administrative Fee Payment. Buyer shall pay an initial one time administrative fee of \$115.00 and pay monthly to seller 1% of the principal, interest, taxes and insurance payment to the seller in the amount of Fifty Dollars and no/100(\$50.00).

10. **Total Monthly Payment Due.** The complete payment [the total of the amounts specified in Sections 9(a), 9(b) and 9 (d) and 9 (e) ] total \_\_\_\_\_Dollars and XX/100 (\$XXX.XX).

11. **Time and Place of Monthly Payment.** The first payment of the amount described in Section 10 above shall be made on \_\_\_\_\_, and on the first day of each month thereafter for twenty-four, (24) months. This payment shall be made to Seller or picked up at **Address** \_\_\_\_\_, between 9 AM and 1 PM, or at Seller's office located at 314 South Neil Street, Champaign, Illinois, or Seller may designate other such place as in writing.

12. **Disposition of Payment by Seller.** Seller shall disburse the monthly payments received from Buyer as follows:

(a) Principal and Interest. Principal and interest shall be paid to Busey Bank or its assigns in a timely manner according to the Lease-Purchase Loan.

(b) Tax/Insurance Escrow. The tax/insurance escrow shall be paid to Busey Bank or its assigns to be held by that institution in accordance with its standard tax/insurance escrow practice.

(c) Savings Escrow. The savings escrow shall be held by Buyer in an interest bearing account.

(d) Maintenance Fee. A maintenance fee of \$50.00 shall be paid to seller on a monthly basis.

(e) Administrative Fees. An administrative fee of \$115.00 shall be paid to the seller by the buyer at or before the closing date of the property. 1% of the monthly principal and interest, taxes & insurance amount shall be paid to the seller on a monthly basis as an administrative fee. (Amount of Principal and Interest, taxes & insurance x 1% = Monthly administrative fee)\$50.00.

13. **Closing Fee.** Upon execution of this Contract, Buyer shall have saved the minimum sum of One Thousand Eight Hundred Sixty Dollars and no/100, three percent (3%) of the Purchase Price less the forgivable grant, or more to be deposited in said Savings Escrow Account to be established by the Buyer.

When mutually agreed upon in writing by Seller and Buyer, funds held in the Savings Escrow Account during the period of this Contract may be withdrawn on Buyer's behalf for payment of fees or other expenses related to this Contract. If Buyer fails to complete any of the terms or conditions of this Contract, the balance in the Savings Escrow Account shall be returned to Buyer less any damages to the property.

14. **Real Estate Taxes.** Urban League shall be responsible for payment from the tax and insurance escrow account listed in paragraph 9 beginning at the date of execution of

this contract and shall have access to the tax and insurance escrow referenced in Section 7 of this contract for such payment. Real estate tax payments made by Seller during the period of this contract shall reflect prorated payments received at closing of Seller's original purchase of subject property.

**15. Possession and occupancy.** Possession of the real estate shall be delivered to Buyer upon execution of this Contract. Buyer agrees to inhabit and live in the residence as a single-family owner-occupied residence as soon as repairs specified herein as sufficiently completed to make the residence habitable.

**16. Assignment.** Buyer shall not assign his or her interest in this Contract and shall not assign any interest whatsoever in the premises described hereinabove, including a contract sale or a lease, to any party prior to Buyer's satisfaction in full of all of the terms of this Contract.

**17. Evidence of Title.** Within a reasonable time, Seller shall deliver to Buyer as evidence of Seller's title a Commitment for Title Insurance issued by a title insurance company doing business in the county where the premises are located, committing the company to issue a policy in the usual form insuring title to the real estate in Buyer's name for the amount of the Purchase Price. Seller shall be responsible for payment of the owner's premium and Seller's search charges. The balance of the cost of providing title insurance for Buyer and for Buyer's lender, if any, shall be borne by Buyer.

Permissible exceptions to title shall include only the lien of general taxes and special assessments; zoning laws and building ordinances; easements, apparent or of record, which do not underlie the improvements; covenants and restrictions of record which are not violated by the existing improvements or the present use of the premises and which do not restrict reasonable use of the premises; existing mortgages to be paid by Seller or assumed by Buyer at closing; and limitations and conditions imposed by the Illinois Condominium Property Act.

If title evidence discloses exceptions other than those permitted, Buyer shall give written notice of such exceptions to Seller within a reasonable time. Seller shall have a reasonable time to have such title exceptions removed, or any such exception which may be removed by the payment of money may be cured by deduction from the Purchase Price at closing. If Seller is unable to cure such exception, then Buyer shall have the option to terminate this Contract in which case Buyer shall be entitled to refund of the earnest money.

**18. Repair, Maintenance and Rehabilitation.** Buyer shall take all actions as described in Exhibit A, which is hereby made a part of this Contract by reference, and the Urban League shall complete in a timely and workmanlike manner the repairs, maintenance and any work as it pertains to electrical, plumbing and HVAC on the subject property listed in said Exhibit A. When mutually agree in writing by Seller and Buyer,

Seller may act on Buyer's behalf to secure bids and quotes from qualified contractors to complete the specified repair, maintenance or work as it pertains to the electrical, plumbing and/or HVAC. Costs for materials and contractor labor for the completion of the specified work will be paid by Urban League.

Buyer shall also be responsible for taking action to repair at his or her own expense unforeseen defects, which become apparent during the period to this Contract. Buyer shall consult with Seller concerning action to be taken to deal with these defects.

**19. Conditions of the Premises.** The parties agree that Buyer shall keep and maintain the property, both inside and outside of the residence, in an orderly condition and in good repair.

**20. Insurance.** Prior to the execution of this Contract, Seller shall obtain and keep in full force and effect fire and extended casualty insurance on the improvements on the property in the amount of the Purchase Price of the residence. Buyer shall also provide general liability insurance for the subject premises, with the minimum limits of One Hundred Thousand Dollars (\$100,000) per person and Three Hundred Thousand Dollars (\$300,000) per accident. The policy of insurance shall be made payable to Buyer, Seller and Busey Bank/Mortgage Company, as their respective interests appear at the time of the loss, and all three shall be named insureds under this policy. In the event of total loss by fire or other covered casualty, Seller shall be entitled to possession of the premises. It is specifically understood that the Buyer shall obtain insurance on the contents of the property to cover loss of any personal property.

A certificate evidencing such insurance coverage and proof of Premium payment shall be furnished to Seller upon execution of this Contract. A copy of the policy of insurance shall be furnished by Buyer to Seller.

Notwithstanding the responsibility of Buyer to provide the insurance policies as hereinabove described, said insurance policies shall state that in the event that they are cancelled for any reason, both Buyer and Seller shall be entitled to thirty (30) days written notice. This provision does not relieve Buyer of the responsibility to provide said insurance policies.

**21. Liens.** Buyer shall not suffer any mechanics' liens or other liens, other than the forgivable mortgage or land use restriction agreement listed in paragraph 6. To attach to the property described hereinabove.

**22. Default.** If Buyer fails to make any of the required payments or to perform any of the other things required of him or her by this Contract and such default continues for a period of Two (2) months after notice of default is given the Buyer, this Contract shall,

at the option of Seller, be forfeited and determined and declared null and void, and Buyer shall forfeit all payments made by him or her in relation to the property and any damages described hereinabove. Such forfeited payments shall be retained by Seller as damages sustained by it, and in such event Seller shall have the right to re-enter and take possession of the premises. This remedy of forfeiture provided to Seller in this Contract shall not be exclusive of any other remedy, which may be available to it in case of default. Any and all expenses, including reasonable legal fees, incurred by Seller in enforcing the terms of this Contract shall be paid by Buyer. The parties agree that, notwithstanding the fact that this contract may continue for more than one year, the notice provided in this Section may be combined with the notice provided for at 735 ILCS 5/9-207 in connection with a Notice to terminate tenancy, and upon Seller's compliance with that notice, it shall be entitled to maintain our action against Buyer for Forcible Entry and Detainer, or Ejectment.

Buyer may remain in possession of the premises for thirty (30) additional days upon payment of rent to Seller in the same amount that is cited in Section 9 hereinabove. If Buyer remains on the premises for a period greater than thirty (30) days after the Section 5 date, Buyer shall be considered a holdover and shall be subject to removal by way of forcible entry and detainer, with no additional notices prior thereto except for the obtaining of jurisdiction of the appropriate court.

**23. Homebuyers Club Participation.** Buyer hereby agrees to regularly, at least monthly, attend and participate in workshops of Seller's prepurchase education and counseling program, known as the Homebuyers Club.

**24. Notices.** All notices given pursuant to this Contract shall be in writing and given either by actual delivery of the notice into the hands of the party entitled to receive it, or by ordinary United States mail, postage fully prepaid, to the following addresses:

Seller  
**Ecological Construction Laboratory, LLC**  
**110 S Race Street, Suite 202**  
**Urbana, IL 61801**

Buyer  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**25. General Provisions.** Titles to the paragraphs of this Contract are for informational purposed only and do not define, limit or construe the contents of the paragraphs. Time is of the essence on this Contract. This Contract shall bind the parties hereto and their respective legal representatives, heirs, successors and assigns.



**26. Strict Construction.** The language used in this Contract shall be deemed to be the language approved by all parties to this Contract to express their mutual intent, and no rule of strict construction shall be applied against any party.

SELLER:

BUYER:

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

\_\_\_\_\_

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_