

ORDINANCE NO. 8990-120

AN ORDINANCE
APPROVING AND AUTHORIZING THE EXERCISE OF
A CERTAIN LEASE-OPTION TO PURCHASE PROPERTY

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

Section 1. A Lease-Option to Purchase Property by Supportive Housing Demonstration Program Applicants between the City of Urbana, Champaign County, Illinois (the "City"), as the Lessee, and U.S. Department of Housing and Urban Development, as Lessor, in the form of the Lease-Option contract attached hereto and incorporated by reference, be and the same is hereby approved.

Section 2. All actions of the officials, agents and employees of the City heretofore taken in connection with said Lease-Option contract be and the same are hereby ratified and approved.

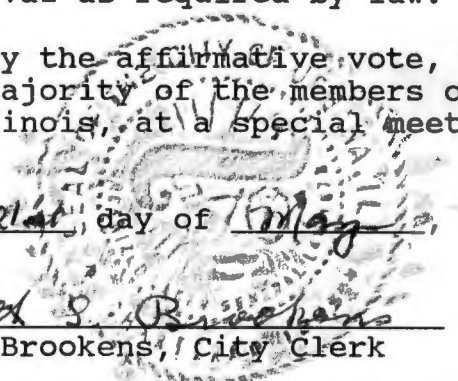
Section 3. The Mayor of the City be and the same is hereby authorized to exercise the Lease-Option by providing notice in writing to the Lessor within the Option Period as provided in said Lease-Option.

Section 4. From and after the effective date of this Ordinance, the proper officials, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute and deliver all such documents as may be necessary to carry out the intent and accomplish the purposes of this Ordinance and the said Lease-Option contract.

Section 5. This Ordinance shall become effective immediately upon its passage and approval as required by law.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a special meeting of said Council.

PASSED by the City Council this 21st day of May, 1990.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 21st day of May, 1990.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8990-120 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

Date *May 22, 1990*



LEASE-OPTION TO PURCHASE PROPERTY
BY
SUPPORTIVE HOUSING DEMONSTRATION PROGRAM APPLICANTS

This lease is made on _____, 19____, between the Department of Housing and Urban Development, LESSOR, and the City of Urbana, LESSEE.

1. LESSOR agrees to lease to the LESSEE and the LESSEE agrees to rent the property known as 1310 West Hill Street, Urbana, Illinois, referred to hereafter as "the property."
2. LESSEE shall use the property only for the purposes of providing shelter for homeless persons as defined in 24 CFR 291.5.
3. LESSEE agrees to pay, as they become due, all charges for utilities and other services. LESSOR shall pay all taxes due on the property and LESSEE shall reimburse LESSOR for such payment. If the lease is terminated, these expenses will be prorated between the LESSOR and the LESSEE.
4. LESSEE agrees to keep the property in a clean and sanitary condition and to comply with all federal, state and local laws and regulations, restrictive covenants, condominium declarations and by laws and homeowners' association rules. LESSEE agrees to obtain an occupancy permit if required and to reimburse LESSOR for any fines, penalties and costs and all liability for violation or noncompliance with any requirements related to the property.
5. LESSEE agrees that if any damage to the property shall be caused by its acts or neglect, or its occupants' acts or neglect, the LESSEE shall repair such damage at its own expense, and should the LESSEE fail or refuse to make such repairs within a reasonable time after the occurrence of such damage, the LESSOR may, at its option, make such repairs and charge the cost thereof to the LESSEE, and the LESSEE shall reimburse the LESSOR for the total cost of all damages so caused.
6. LESSEE agrees to make all repairs to the property necessary to make the premises tenantable and at the end of the lease term to deliver up and surrender said property to the LESSOR in as good a condition as when received, including boarding up and other security. No alteration, addition, or improvements shall be made to the property without the consent of the LESSOR in writing, and all additions and improvements made by the LESSEE shall belong to the LESSOR.
7. LESSEE agrees to maintain the property free from the illegal use, possession or distribution of drugs or alcohol.
8. LESSEE shall indemnify and save harmless the LESSOR, its officers, agents, servants and employees from all liability for death

or injury to any person, or loss or damage to the property of any person resulting from the use of the property by the LESSEE.

9. LESSEE shall maintain general liability insurance on the property against loss by reason of death or injury to any person or loss or damage to property of any person resulting from the use of the property. The Secretary of the Department of Housing and Urban Development shall be named as a beneficiary or payee.

10. LESSEE agrees that it will not place or allow to be placed any liens on the property without the express written consent of LESSOR and further agrees to remove and to indemnify the LESSOR for any costs incurred related to the removal of any liens, including mechanic's liens, placed on the property during the period of tenancy without LESSOR's approval.

11. LESSEE agrees that the LESSOR shall have right to enter the property at all reasonable hours for the purpose of inspecting the condition of the property.

12. LESSEE shall not assign, sublet, or part with the possession of the whole or any part of the property without first obtaining the written consent of LESSOR. LESSEE may terminate this lease at any time without penalty upon 30-day written notice to LESSOR.

13. LESSEE agrees that if it should fail to comply with any provisions of this lease, it shall be lawful for the LESSOR, at its option, to re-enter and take possession, the LESSEE waiving any notice to vacate the property, and thereupon this lease shall terminate; however, the failure of the LESSOR to insist upon the strict performance of the terms of this lease shall not be construed as a waiver of the LESSOR'S right to later enforce any such provision.

14. LESSEE agrees not to discriminate against any individual on the basis of race, color, religion, sex, national origin, handicap, age, or familial status, pursuant to the requirements of the Fair Housing Act, 42 U.S.C. 3601-20, and to comply with the further nondiscrimination and equal opportunity requirements of 24 C.F.R. 291.130.

15. LESSEE agrees that it will submit at any time to such examination of any and all of its records and accounts, including but not limited to those related to this transaction, as the Secretary of Housing and Urban Development or the Comptroller General may require.

16. All goods and chattels placed or stored in or about the property are at the risk of the LESSEE.

17. No member of, or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this lease or to any benefit that may arise therefrom.

18. LESSEE warrants that it has not employed any person to solicit or secure this lease upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the LESSOR the right to annul this lease or in its discretion to recover from the LESSEE the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth.

19. LESSEE agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin.

20. LESSEE shall have an option to purchase said property for a purchase price of \$11,700. If conditions outside the control of the LESSEE cause the fair market value of the property to decrease after the initiation of the lease, the property will be offered at the fair market value at the time of sales closing, less 10 percent. Any repairs to or rehabilitation of a property done by LESSEE during the lease term shall not be reflected in the purchase price. LESSEE may exercise this option at any time during the term of this lease, but said option shall expire 180 days after the execution of this lease-option by LESSEE. LESSEE may exercise this option only by execution of Form HUD-9548, Sales Contract. The property is being sold on an "as is" "all cash" basis. FHA mortgage insurance may be made available for the purchase of the property at the sole discretion of the LESSOR.

21. The lease shall be for 180 days, beginning on the date this lease-option is executed by LESSEE at a total rent of \$1. If LESSEE fails to exercise its right to purchase the property, LESSEE may apply to HUD for conversion of the lease-option agreement to a lease with option to purchase as described in 24 CFR 291.110(c). Approval of such conversion shall be granted at HUD's sole discretion.

22. LESSEE may charge the homeless persons occupying the property a rental or occupancy charge at a rate appropriate to the financial means of the person not to exceed LESSEE's operating costs for the property.

23. LESSOR will inspect the property for defective paint surfaces and will treat any defective surfaces found. If LESSEE knows or has reason to expect that the property will be occupied by families with children under the age of seven years, LESSEE must test for lead-based paint on chewable surfaces before initial occupancy. Where lead-based paint is identified, LESSEE must abate at its own expense as required in 24 CFR 291.130(d). LESSEE may not permit occupancy until testing and any required abatement is completed.

This lease contains the entire agreement between the parties,
and neither party is bound by any representations or agreements of
any kind except as herein contained.

Secretary of Housing and Urban Development
LESSOR

WITNESS:

_____ By _____

