

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,
Plaintiffs

-v-

MOON LANDRIEU, Secretary of
Department of Housing and
Urban Development, et al.,

Defendants.

NO. 66 C 1459
66 C 1460
(Consolidated)

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DEC 16 1980

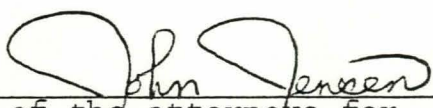
John Powers Crowley
United States District Court

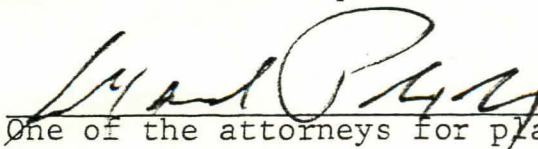
TO: Persons on the attached Service List

NOTICE

Please take notice that at 9:45 A.M. on December 18, 1980, the undersigned will appear before Judge John Powers Crowley in the courtroom usually occupied by him in the U.S. Courthouse, 219 South Dearborn Street, Chicago, Illinois, and then and there will present to him a Joint Motion for Order Respecting Proposed Consent Decree, at which time and place you may wish to appear. A copy of said Joint Motion, and exhibits therein referred to, is herewith served upon you.

DECEMBER 16, 1980


One of the attorneys for
U.S. Department of Housing
and Urban Development


One of the attorneys for plaintiffs

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STATE OF ILLINOIS
DEPARTMENT OF
COMMERCE AND COMMUNITY AFFAIRS

* indicates personal service

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing
"Joint Motion for Order Respecting Proposed Consent Decree,"
and exhibits therein referred to, were served on those persons
on the attached Service List this 16th day of December, 1980,
by U.S. Mail or by personal service, as indicated.

A handwritten signature, appearing to read "John Jensen", is written over a horizontal line.

DATED: December 16, 1980

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,)
)
Plaintiffs)
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-v-)
)
MOON LANDRIEU, Secretary of)
Department of Housing and)
Urban Development, et al.,)
)
Defendants.)

NO. 66 C 1459
66 C 1460
(Consolidated)

RECEIVED
DEC 16 1960
John J. ...
United States District Court

JOINT MOTION FOR ORDER
RESPECTING PROPOSED CONSENT DECREE

Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, plaintiffs, and defendants United States Department of Housing and Urban Development ("HUD") and Moon Landrieu, Secretary of HUD, by their respective attorneys, jointly move the Court to enter an order, in the form attached hereto as Exhibit A. By this order the Court -

(a) Finds that a proposed Consent Decree in this class action, attached hereto as Exhibit B, is within the range of possible approval by the Court,

(b) Directs that a hearing be held to determine whether the proposed Consent Decree is fair, reasonable and adequate, and

(c) Directs that notice of such hearing, in the form attached hereto as Exhibits X and Y, be provided to members of the plaintiff class.

In support of this motion, plaintiffs and defendants HUD and Landrieu state as follows:

1. Plaintiffs and defendants HUD and Landrieu have entered into a proposed Consent Decree (Exhibit B hereto) to resolve claims of plaintiffs for further relief against said defendants.

2. The proposed Consent Decree was entered into after lengthy and adversary negotiations between counsel for plaintiffs and counsel for said defendants and after appropriate consultation with others. It reflects compromises by both sides and, in the opinion of such counsel, is fair, reasonable and adequate.

3. Sufficient facts have been developed during the lengthy course of this litigation to enable the Court and the parties to assess the likely outcome of a continuation of adversarial litigation respecting the matters covered by the Consent Decree.

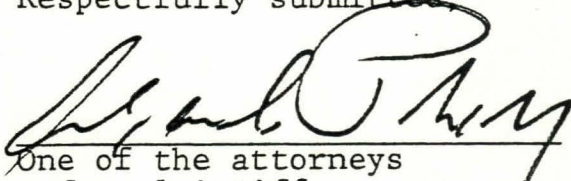
4. The relief to be afforded by the proposed Consent Decree accords fairly with the strength of plaintiffs' case. Plaintiffs' right to relief has been established, 448 F. 2d 731 (1971), and the permissibility of metropolitan-wide relief has been determined, 425 U.S. 284 (1976). The proposed Consent Decree creates an appropriate remedial framework in this context, including provision for specific remedial activities and for the retention of jurisdiction by the Court for enforcement and related purposes.

5. No damage claims were made by plaintiffs and no damages, attorneys' fees or costs are to be paid under the proposed Consent Decree, except that HUD will pay the costs of notice to members of the plaintiff class.

6. Further litigation respecting the matters covered by the Consent Decree would be lengthy and complex and, in view of the provisions of the proposed Consent Decree, would not be in the interest of the class members.

WHEREFORE, plaintiffs, and defendants HUD and Landrieu, move the Court to enter an Order in the form attached hereto as Exhibit A.

Respectfully submitted,


One of the attorneys
for plaintiffs


One of the attorneys for
defendants United States
Department of Housing and
Urban Development and
Moon Landrieu

DATED: December 16, 1980

IT IS HEREBY ORDERED:

1. A hearing shall be held on January 14, 1981, at 9:30 o'clock A.M., for the purpose of determining whether the proposed Consent Decree, filed with the Court this day, is fair, reasonable and adequate, and whether the same should be entered by the Court.

2. Notice shall be given to members of the plaintiff class as follows:

A. Notice in the form attached hereto as Exhibit X shall be given,

(i) By mailing the same by first class mail no later than December 24, 1980, to all residents of the defendant Chicago Housing Authority ("CHA") non-elderly public housing residential buildings;

(ii) By mailing the same by first class mail no later than December 24, 1980, to all persons on the CHA waiting list for non-elderly public housing; and

(iii) By posting the same no later than December 24, 1980, in a conspicuous place in all CHA non-elderly public housing residential buildings containing at least 12 dwelling units, and in CHA's central rental offices.

B. Notice in the form attached hereto as Exhibit Y shall be given by publishing the same in the Chicago Sun-Times and in the Chicago Defender on or about December 22, 1980, and on or about December 29, 1980.

3. Defendant HUD shall bear the costs of such notice and shall cause proof of the mailing, posting and publication thereof to be filed with the Court on or before 9:30 A.M. on January 14, 1981.

4. Without limitation of any other rights provided by law, any member of the plaintiff class may appear at such hearing on January 14, 1981, in person or by counsel, and present his or her views on the proposed Consent Decree. Whenever possible any

such member so appearing for such purpose shall file a notice of intention to appear and a statement of his or her position, and the basis therefor, with the Clerk of this Court not later than January 13, 1981.

6. Any member of the plaintiff class may also file with the Clerk of this Court, on or before January 13, 1981, a written statement setting forth his or her views on the proposed Consent Decree.

ENTER:

Judge John Powers Crowley

DATED: December 18, 1980

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	Nos. 66 C 1459
	)	66 C 1460
MOON LANDRIEU, Secretary of	)	(Consolidated)
Department of Housing and	)	
Urban Development, et al.,	)	
	)	
Defendants.	)	
	)	

CONSENT DECREE

Plaintiffs filed their complaint in this action on August 9, 1966. Since that time, defendants Landrieu and the United States Department of Housing and Urban Development ("HUD"), have been substituted for their predecessors as defendants. Proceedings in this action have led to the entry of opinions and orders, including those reported at 265 F.Supp. 582 (1967), 448 F.2d 731 (1971) and 425 U.S. 284 (1976). On June 29, 1979, plaintiffs filed a motion requesting further relief. Inasmuch as the plaintiffs and HUD have consented to the entry of this Decree, that request is withdrawn as of the "effective date," as defined herein.

Now, therefore, upon the consent of the plaintiffs and HUD, it is hereby ordered as follows:

1. Jurisdiction

This Court has jurisdiction over the parties to this Consent Decree and over the subject matter of this action.

2. Definitions

For purposes of this Decree:

2.1. "Assisted housing" means non-elderly housing subsidized by HUD, directly or through a public housing agency, under the following housing programs or under any housing program enacted by Congress or established by HUD in the future as an addition to or alternative or substitute for such programs: Section 8 Housing Assistance Payments Program - New Construction (24 C.F.R. Part 880), Substantial Rehabilitation (24 C.F.R. Part 881), Existing Housing (24 C.F.R. Part 882, Subparts A and B),

Moderate Rehabilitation (24 C.F.R. Part 882, Subparts D and E), State Housing Agencies (24 C.F.R. Part 883) and Special Allocations (known as Loan Management and Property Disposition, 24 C.F.R. Part 886); Public Housing New Construction and Acquisition, with or without rehabilitation (24 C.F.R. Part 841); Rent Supplement (24 C.F.R. Part 215); and Rental Assistance Payments Program (24 C.F.R. Part 236, Subpart D). However, no project or housing units receiving either Rent Supplement or Rental Assistance Payments in whole or in part on or before the "effective date," as defined herein, shall be deemed to be assisted housing under this Decree.

2.2. "Effective date" means the date upon which this Consent Decree is finally entered by the Court.

2.3. "Eligible person" means a member of a household which occupies non-elderly public housing in the City of Chicago at any time before the termination of HUD's obligations under this Decree, or a member of a household for which application for non-elderly public housing was made to the Chicago Housing Authority ("CHA") and to which CHA assigned a registration number before the effective date. However, the following shall not be eligible persons:

2.3.1. Persons not eligible for non-elderly public housing under the United States Housing Act of 1937, applicable HUD regulations and CHA rules relating to tenant income and eligibility in effect at the time "assisted housing," as defined herein, is offered to such persons under this Decree.

2.3.2. Persons who have commenced occupancy of assisted housing in the "General Area," as defined herein, or in the "Revitalizing Area," as defined herein, whether before or after the effective date, except persons whose occupancy of such housing commenced pursuant to the contracts referred to in paragraph 5.4 and is terminated by a person other than the tenant without the tenant's fault, in less than twenty-five months after commencement of occupancy. The determination of whether termination was without fault on the part of the tenant shall be made jointly by counsel for plaintiffs and HUD, or in the event of dispute, by the Court.

2.3.3. Persons who, pursuant to the contracts referred to in paragraph 5.4, are offered and refuse three opportunities to occupy assisted housing in the General Area or in the Revitalizing Area.

2.3.4. Persons identified by the "Leadership Council," as defined herein, who decline to consider the opportunities to occupy assisted housing in the General Area or in the Revitalizing Area referred to in paragraph 2.3.3 and thereafter occupy assisted housing in the "Limited Area," as defined herein.

2.4. "General Area," being the predominantly non-minority areas of the Chicago Standard Metropolitan Statistical Area ("Chicago SMSA"), means (a) that part of the City of Chicago which lies within the census tracts listed on Exhibit A, attached hereto, and (b) all of the Chicago SMSA outside the City of Chicago except those parts designated in Exhibit A as "Excluded from the General Area."

2.5. "Large family" means a family of five or more persons.

2.6. "Leadership Council" means the Leadership Council for Metropolitan Open Communities, a not-for-profit Illinois corporation, and includes any successor to the Leadership Council for Metropolitan Open Communities as a party to the contracts referred to in paragraph 5.4.

2.7. "Limited Area," being the predominantly minority areas of the Chicago SMSA, means (a) that part of the City of Chicago which lies within the census tracts not listed on Exhibits A or B, attached hereto, and (b) those parts of the Chicago SMSA outside the City of Chicago designated in Exhibit A as "Excluded from the General Area."

2.8. "Non-elderly" when used to describe housing or housing units, means all units other than units specifically designed for elderly or handicapped households without children that consist of no more than two persons.

2.9. "Revitalizing Area," being areas of the City of Chicago having substantial minority occupancy and undergoing substantial physical development, means that part of the City of Chicago which lies within the census tracts listed on Exhibit B, attached hereto.

3. Applicability

This Consent Decree applies to members of the plaintiff class and to defendants Landrieu and HUD, including their agents, employees, successors and assigns, and to all other persons in active concert or participation with any of them who shall have received actual notice of this Decree by personal service or otherwise.

4. Declaration

The Court declares and determines that metropolitan area relief is necessary under the circumstances of this case and that the provisions of this Consent Decree constitute an appropriate form of such relief. The relief to be provided by HUD under this Consent Decree shall satisfy all of HUD's remedial obligations to plaintiffs in this action, except for the obligations imposed upon HUD by the order of this Court dated September 18, 1980, and any proceeding pursuant thereto. The provisions of this Consent Decree shall supersede the provisions of any prior order other than the order of September 18, 1980, against defendants HUD or Landrieu in this action to the extent the provisions of any such prior order are inconsistent herewith.

5. Remedial Action

Defendants Landrieu and HUD will take the following steps:

5.1. Following the effective date, HUD will provide assisted housing to eligible persons as set forth in this Part 5 until the number of occupancies of assisted housing units in the General Area and/or in the Revitalizing Area, pursuant to the contracts referred to in paragraph 5.4, commenced by eligible persons equals 7,100.

5.1.1. If HUD demonstrates to the reasonable satisfaction of plaintiffs' counsel that an eligible person commenced occupancy of an assisted housing unit in the General Area or in the Revitalizing Area after the effective date, but obtained such a unit through means other than said contracts, or that after the effective date an eligible person commenced occupancy of a unit in the General Area or in the Revitalizing Area under the Rent Supplement or Rental Assistance Payments programs in a housing project receiving

either Rent Supplement or Rental Assistance Payments on or before the effective date, that unit will be counted as a commencement of occupancy under paragraph 5.1 like any unit provided under the contracts.

5.1.2. All assisted housing units that are made available as part of the "set-asides" established pursuant to paragraphs 5.5.2 and 5.5.3 shall, when occupied, be counted as commencements of occupancy under paragraph 5.1, whether or not occupied by an eligible person.

5.2. HUD's obligations under this Consent Decree will terminate at any time before the achievement of 7,100 occupancies that the aggregate number of assisted housing units in the General and Revitalizing Areas in which eligible persons have commenced occupancy pursuant to the contracts referred to in paragraph 5.4 has averaged less than five per month for three consecutive months, provided that during those three months an average of at least 20 units per month have been made available for occupancy by eligible persons in the General and Revitalizing Areas under the marketing arrangements referred to in paragraph 5.5, and provided further that no event occasioning the declaration of a state of emergency or disaster, or the equivalent, by state or federal officials in all or any part of the Chicago SMSA has taken place during such consecutive months.

5.3 Eligible persons who have commenced occupancy of an assisted housing unit made available pursuant to Part 5, but whose occupancy is terminated by a person other than the tenant without the tenant's fault in less than twenty-five months after the commencement of occupancy, shall continue to be eligible for replacement assisted housing under Part 5 of this Consent Decree. Even if the Decree is terminated pursuant to paragraph 5.1 or 5.2 hereof, HUD and the plaintiffs will make suitable arrangements to assure that these persons obtain replacement assisted housing. The provision of replacement assisted housing units to such persons or to persons excepted from ineligibility under this Decree by paragraph 2.3.2 shall not constitute a commencement of occupancy under paragraphs 5.1 and 5.2. The determination of whether termination was without fault on the part of the tenant shall be made jointly by counsel for plaintiffs and HUD or, in the event of dispute, by the Court.

5.4. Assisted housing will be provided to eligible persons pursuant to contractual arrangements as follows:

5.4.1. From the effective date of this Consent Decree through September 30, 1981, HUD will adhere to its contract with the Leadership Council, Number H-4256, dated November 11, 1977, as amended on February 1, 1979, April 1, 1979, October 1, 1979, January 1, 1980, March 1, 1980, and the Addendum thereto to be dated as of the effective date, a copy of which contract, as amended, and form of Addendum thereto, are attached as Exhibit C. HUD shall execute the Addendum in substantially the form attached as part of Exhibit C within five business days after the effective date.

5.4.2. From October 1, 1981 until HUD's obligations terminate pursuant to paragraph 5.1, 5.2, 8.1, or 8.2 of this Consent Decree, HUD will continue substantially in effect the contractual arrangements set forth in Exhibit C by timely renewals of Contract Number H-4256 with the Leadership Council for Metropolitan Open Communities, or by entering into a similar contract with another entity. All such renewals or similar contracts shall be subject to Court approval, except that HUD may change the terms of such contract in the future to the extent that HUD changes its contracting procedures generally, provided that none of the services provided for the benefit of eligible persons will be reduced or modified to their detriment without Court approval. No contract shall be entered into with an entity other than the Leadership Council for Metropolitan Open Communities, except upon HUD's determination that such entity has, among other qualifications, sufficient knowledge of the Chicago area real estate market and sufficient experience in counseling and placement, and except upon reasonable written notice to plaintiffs' counsel of the identity of such entity. If plaintiffs' counsel objects to the qualifications of, or to the likelihood of satisfactory performance by, such proposed entity within five days following receipt of such notice, HUD and plaintiffs' counsel shall promptly confer about the objection. If plaintiffs' counsel continues thereafter to object to the proposed entity, plaintiffs may, within fourteen days following such conference, present their objections to the Court.

Until the dispute is resolved by the Court, no new contract shall be entered into and the then existing contractual arrangements under this paragraph 5.4 shall remain in effect.

5.5. Assisted housing to be provided pursuant to paragraph 5.4 will be supplied as follows:

5.5.1. HUD will set aside contract authority for no fewer than 150 Section 8 Existing housing units per year, commencing at the beginning of Fiscal Year 1982, for use in furnishing Section 8 Existing housing certificates to eligible persons pursuant to the contracts referred to in paragraph 5.4. The amount of such set-aside will be in addition to any such certificates not issued and therefore unutilized in any year, and in addition to any "returned" certificates issued pursuant to such contracts (whether before or after the effective date) but no longer in use by the families who received them. However, such set-aside may be reduced to the extent the aggregate amount of Section 8 Existing contract authority available to the Leadership Council at the beginning of any fiscal year from such set-aside, and from such unutilized and "returned" certificates, exceeds 360 units. During the period from July 1, 1981 through September 30, 1981, HUD will set aside contract authority for 37 Section 8 Existing housing units to be utilized in accordance with the terms of this paragraph.

5.5.1.a. The full amount of this set-aside will be in addition to the "fair share" of contract authority for assisted housing normally allocated to the Chicago SMSA pursuant to 24 C.F.R. Part 891, Subpart D, and successor regulations. HUD will not reduce the normal allocation by reason of the set-aside provided under this paragraph 5.5.1.

5.5.1.b. Any unit occupied by a different eligible person utilizing a reissued certificate will be counted as a commencement of occupancy under paragraph 5.1.

5.5.2. HUD will set aside contract authority for 250 Section 8 New Construction and/or Substantial Rehabilitation units per year commencing at the beginning of Fiscal Year 1982 for use in multifamily projects to be located in the General Area or in the Revitalizing Area and that are insured under the National Housing Act. This authority shall be used in projects that contain no more than approximately 30 units or whose sponsors agree to enter into Housing Assistance Payments contracts for not less than approximately 20% nor more than approximately 35% of the units in each such project. During the period from July 1, 1981, through September 30, 1981, HUD will set aside contract authority for 62 Section 8 New Construction and/or Substantial Rehabilitation units to be utilized in accordance with the terms of this paragraph.

5.5.2.a. The full amount of this set-aside will be in addition to the "fair share" of contract authority for assisted housing normally allocated to the Chicago SMSA pursuant to 24 C.F.R. Part 891, Subpart D, and successor regulations. HUD will not reduce the normal allocation by reason of the set-aside provided under this paragraph 5.5.2.

5.5.2.b. The Chicago Area Office of HUD will afford a priority in processing applications for mortgage insurance for all projects referred to in paragraph 5.5.2 and will accept applications from developers at any time to use the set-aside provided under this paragraph. Such proposals will not be required to compete under 24 C.F.R. §880.307 or §881.307, or any successor regulations, for HUD's normal "fair share" allocation of contract authority for assisted housing. However, such proposals shall comply with all other applicable regulations and processing requirements, and where units sought under proposals for this set-aside exceed the number of units available under the set-aside, the proposals shall be ranked against each other under usual HUD procedures.

5.5.2.c. Contract authority equal to any portion of the set-aside unused in any year shall be available for use in the succeeding year and shall not diminish the 250 unit set-aside under paragraph 5.5.2 to be provided in that succeeding year, unless HUD's obligations have terminated pursuant to paragraph 5.1, 5.2, 8.1, or 8.2.

5.5.3. HUD will set aside contract authority for 100 Section 8 New Construction and/or Substantial Rehabilitation units per year, commencing at the beginning of Fiscal Year 1982, for use in projects that will increase housing choice for large minority families living in the Limited Area of the City of Chicago by providing Section 8 New Construction and/or Substantial Rehabilitation assisted housing for such families at locations in the General Area or in the Revitalizing Area accessible to public transportation. Such projects shall contain no more than approximately 30 units or sponsors of such projects must agree to enter into Housing Assistance Payments contracts for not less than approximately 20% nor more than approximately 35% of the units in each such project. During the period from July 1, 1981, through September 30, 1981, HUD will set aside contract authority for 25 Section 8 New Construction and/or Substantial Rehabilitation units to be utilized in accordance with the terms of this paragraph.

5.5.3.a. The full amount of this set-aside will be in addition to the "fair share" of contract authority for assisted housing normally allocated to the Chicago SMSA pursuant to 24 C.F.R. Part 891, Subpart D, and successor regulations. HUD will not reduce the normal allocation by reason of the set-aside provided under this paragraph 5.5.3.

5.5.3.b. If the set-aside is not fully reserved for acceptable proposals by June 30 in any year, the unreserved balance (or any portion thereof) may be made available by HUD, in its discretion, to increase the set-aside authorized under paragraph 5.5.2. Contract authority equal to any portion of the set-aside unused in any year shall

be available for use in the succeeding year and shall not diminish the 100 unit set-aside under paragraph 5.5.3 to be provided in that succeeding year, unless HUD's obligations have terminated pursuant to paragraph 5.1, 5.2, 8.1 or 8.2.

5.5.3.c. The Chicago Area Office of HUD will afford a priority in processing applications for mortgage insurance for all projects referred to in paragraph 5.5.3 and will accept applications from developers at any time to use the set-aside provided under this paragraph. Such proposals will not be required to compete under 24 C.F.R. §880.307 or §881.307, or any successor regulations, for HUD's normal "fair share" allocation of contract authority for assisted housing. Proposals from developers containing substantially the provisions set forth in Exhibit D hereto shall be deemed by HUD to be acceptable proposals under this paragraph. However, all proposals shall comply with all other applicable regulations and processing requirements, and where units sought under proposals for this set-aside exceed the number of units available under this set-aside, the proposals shall be ranked against each other under usual HUD procedures.

5.5.4. HUD will require that at least 6% but not more than 12% of the total number of housing units (assisted and unassisted) in each of the following types of housing projects shall be provided to eligible persons through marketing arrangements set forth in Exhibit C hereto:

- (i) Housing projects developed under paragraphs 5.5.2 or 5.5.3.
- (ii) Housing projects approved or funded after the effective date in whole or in part under any assisted housing program in the Chicago SMSA.
- (iii) Section 8 housing projects approved before the effective date as to which an agreement to enter into a Housing Assistance Payments contract is executed after the effective date.

However, the requirements of this paragraph shall not apply to public housing provided by CHA, to Section 8 Existing housing (other than Moderate Rehabilitation), or to projects receiving any Rent Supplement or Rental Assistance Payments on or before the effective date. Any fractional number of units to be provided to eligible persons shall be "rounded up" to the next higher whole number. The number of assisted housing units required to be provided to eligible persons shall not exceed the total number of assisted housing units in the project; and at least two such units must be provided to eligible persons in any project having four or more assisted units.

5.5.4.a. The precise number of units in each project to be provided to eligible persons under this paragraph within the range stated shall be arranged through consultation by developers with the Leadership Council. In the case of projects using Section 8 contract authority set aside for the Illinois Housing Development Authority under 24 C.F.R. Part 883, such arrangements shall be made through consultation by the Leadership Council with said Authority. In the case of projects funded by a local public housing agency, such arrangements shall be made through consultation by the Leadership Council with such public housing agency. All such arrangements shall take into consideration principles consistent with the objectives of this Decree and sound management of the project in question and shall be finally determined by HUD.

5.5.4.b. In each project subject to this paragraph 5.5.4, the number of units reserved for eligible persons shall include 50% ("rounded up" to the next higher whole number) of the total number of assisted units designed for large families. The units designed for large families which are reserved for eligible persons must include 50% of any assisted units having four or more bedrooms. HUD will require that large families not be prohibited by occupancy or other standards not approved by HUD for general application from leasing units designed for large families. The remainder, if any, of the units reserved for eligible persons shall have at least two bedrooms.

5.5.4.c. HUD will not permit a sponsor of a project subject to this paragraph 5.5.4 to withdraw any unit then occupied by an eligible person from an assisted housing program pursuant to applicable regulations nor will HUD construe as good cause for termination of the tenancy of an eligible person the desire of a sponsor to withdraw such unit, except with the consent of plaintiffs' counsel. The provision of a replacement assisted housing unit for any unit withdrawn by consent shall not constitute a commencement of occupancy under paragraphs 5.1 or 5.2.

5.6. To increase the supply of assisted housing to eligible persons, especially eligible persons constituting large families, HUD will take the following actions:

5.6.1. HUD will cause to be made available not less than \$3 million of reallocated Community Development Block Grant funds for use in the Chicago SMSA and will use its best efforts to assure that such funds are used to aid in providing assisted housing outside the Limited Area for eligible persons living in the Limited Area of the City of Chicago. Not less than \$500,000 of such funds shall be made available within 30 days after the effective date, and the balance shall be made available by not later than August 30, 1981. Ninety days after the effective date, the HUD Area Manager shall solicit applications for the use of not less than \$500,000 of such funds for uses under this Decree, including proposals to establish the revolving fund referred to in Exhibit D hereto, from eligible grantees in the Chicago SMSA, including the City of Chicago, pursuant to 24 C.F.R. §570.107(e)(2). By not later than September 30, 1981, the Area Manager shall solicit applications for the balance of such funds from such grantees. In consultation with plaintiffs' counsel, HUD shall fund fundable applications up to the amount of the funds made available under this paragraph and shall take all necessary steps within its authority to assure that the reallocated funds made available pursuant to this paragraph are used for activities, including any of those provided for in this Decree, to aid in achieving the objectives of this Decree, subject to applicable regulations. However, if plaintiffs' counsel objects to HUD's

proposed funding or subsequent steps referred to above, plaintiffs may, within fourteen days following, present their objections to the Court. Until the dispute is resolved by the Court, HUD will not take any further action with respect to such applications or take such subsequent steps. HUD will consider making additional funds available to expand or otherwise aid programs carried out under paragraphs 5.5.2, 5.5.3, and 5.9 that are successful in providing assisted housing to eligible persons.

5.6.2. HUD will require that not fewer than 10% ("rounded up" to the next higher whole number) of all assisted non-elderly units in each housing project having five or more assisted units in the Chicago SMSA funded with Fiscal Year 1981, or later, contract authority in whole or in part under any assisted housing program (other than Section 8 Existing housing, Section 8 Loan Management and Property Disposition, and Section 8 Moderate Rehabilitation) shall be units designed for large families. In projects having 31 or more assisted non-elderly units, at least two of the units included in such 10% shall contain at least four bedrooms. HUD will also give additional weight in its consideration of applications for all such projects that contain more than 10% of such units designed for large families.

5.6.3. HUD will promptly review fair market rents for Section 8 Existing housing in the Chicago SMSA for the purpose of considering the establishment of separate fair market rents for units of three or more bedrooms in particular submarket areas, and for particular types of housing, within the SMSA in order to increase the supply of assisted housing available to large families. In the course of such review HUD will consult with and consider data submitted by the Leadership Council.

5.7 Subject to Part 8, until HUD's obligations have terminated pursuant to paragraph 5.1, 5.2, 8.1, or 8.2, HUD will not take any of the following actions in the Chicago SMSA:

5.7.1. Fund any assisted housing programs, other than public housing provided by CHA and Section 8 Existing housing, except in conformity with the provisions of Part 5.

5.7.2. Fund any assisted housing projects that do not include a sufficient number of assisted units of specified bedroom sizes to meet the requirements applicable to assisted housing units specified in paragraphs 5.5.4 and 5.6.2.

62029
62029
5.7.3. Fund assisted ~~housing~~ units for elderly persons in the Chicago SMSA otherwise than in conformity with 24 C.F.R. §891.206, or any successor regulation. HUD may depart from the provisions of such regulation if it deems that such a departure is likely to result in a higher number of non-elderly units than if such provisions were strictly applied. Funding of assisted ~~housing~~ units for elderly persons may in any event depart from such provisions if HUD is satisfied that the community in which such units are proposed to be located is making substantial progress in meeting the lower income housing needs of non-elderly families and that funding of such units conforms to any applicable Housing Assistance Plan. HUD will consult with plaintiffs' counsel if in the Chicago SMSA it proposes to (i) issue notices of fund availability for Section 8 New Construction and/or Substantial Rehabilitation housing or Public Housing which do not in any way condition the funding of elderly units upon the provision of non-elderly units or (ii) make set-asides to state housing agencies without requiring that notices of fund availability issued by such agencies condition the funding of elderly units upon the provision of non-elderly units.

5.8. Requirements for assisted housing in the Chicago SMSA will be observed in accordance with the following:

5.8.1. In any fiscal year unless otherwise ordered by the Court under paragraph 8.4, HUD will not approve housing assistance plans or approve or set aside contract authority for Section 8 New Construction or Existing (other than Moderate Rehabilitation) housing in the City of Chicago unless (a) not less than one-third of the units of Section 8 New Construction and not less than one-third of the units of Section 8 Existing housing (other than Moderate Rehabilitation) within the City of Chicago are to be physically located within the General Area, and (b) not more than one-third of the units of each such type of housing within the City of Chicago are to be physically located within the Limited Area.

5.8.2. HUD will not fund a Section 8 New Construction project in the General Area or the Revitalizing Area of the Chicago SMSA which:

(i) Contains assisted housing units designed for occupancy by more than 120 persons, except that if HUD, in its discretion, determines that such a project would not otherwise be economically feasible, HUD may fund such a project which does not contain assisted housing units designed for occupancy by more than 240 persons;

(ii) Provides assisted housing units above the third story for families with children, except in a project in which the number of assisted housing units in the aggregate does not exceed approximately 35% of the total number of units in such project; or

(iii) Is to be located in any census tract if, following such location, the aggregate number of apartments and single family residences there-tofore made available under any assisted housing program in such census tract would constitute more than 15% of the total number of apartments and single family residences in such census tract.

5.9. HUD will explore actively all possibilities of supplying assisted housing to eligible persons as rapidly as possible through the assisted housing programs referred to in this Consent Decree, and through any other housing and housing related programs which may be implemented by HUD at any time prior to the satisfaction or termination of HUD's obligations hereunder, including without limitation the exercise by HUD of its funding and administrative powers under the Housing and Community Development Act of 1974, as amended, except that HUD shall not be required to perform the functions of a public housing agency. HUD will use its best efforts to aid CHA to provide assisted housing under public housing programs as rapidly as possible, including without limitation (i) prompt review and processing of CHA submissions (including development programs and appraisals) to HUD, and (ii) the provision to CHA each year of contract authority for such number of public housing units as HUD determines CHA is able to utilize within a reasonable period of time.

6. Annual Reports

On or before January 2, 1982, and on or before January 2 of each year thereafter, HUD will file with the Court and serve upon the plaintiffs a report describing the activities carried out and the results achieved in providing assisted housing to eligible persons under this Consent Decree from the effective date until the September 30 preceding the date of such report.

7. Exclusion of Other Proceedings

This Consent Decree does not affect CHA's obligations under any orders entered in this action or preclude further proceedings against CHA pursuant thereto. This Consent Decree does not affect HUD's obligations under this Court's Order in this action of September 18, 1980, or preclude further proceedings pursuant to that order. However, in any such further proceedings, plaintiffs shall be barred from seeking from HUD any additions or modifications to the forms of relief provided for in this Decree.

8. Retention of Jurisdiction; Waivers; Change of Authority

8.1. Jurisdiction is retained by the Court for the purpose of enabling the plaintiffs and HUD to apply to the Court at any time for such further orders as may be necessary or appropriate for the construction, implementation, modification or enforcement of this Consent Decree.

8.2. At any time after the fifth anniversary of the effective date, either HUD or the plaintiffs, without the consent of the other, may request the Court to review the progress made in providing assisted housing to eligible persons hereunder and, based upon such review, to modify or terminate any or all of the rights or obligations provided herein. The party seeking review will not be required to demonstrate changed circumstances to obtain such Court review.

8.3. After the availability of final 1980 census data, but not more frequently than every two years thereafter, either HUD or plaintiffs' counsel, without the consent of the other, may request the Court to modify Exhibits A and B hereto.

8.4. In any fiscal year in which HUD wishes to approve contract authority for Section 8 New Construction or Existing assisted housing that does not comply with the locational requirements of paragraph 5.8.1, HUD may petition the Court for a waiver of that provision. In requesting a waiver, HUD may ask the Court to rule that specified project locations in the Limited Area should be reclassified as part of the Revitalizing Area or the General Area, as the facts may justify, and/or that specified project locations in the Revitalizing Area should be reclassified as part of the General Area. Where the Court approves such a reclassification, the project location shall be treated as reclassified for all purposes of this Decree, and Exhibits A and B hereto shall be amended accordingly. If the Court does not approve the requested reclassification, HUD may nonetheless petition the Court to treat the location for which the waiver is sought as being in the Revitalizing Area or the General Area, as the case may be, (i) for purposes of determining the number of assisted housing units of which eligible persons have commenced occupancy under paragraph 5.1 hereof, and/or (ii) for purposes of meeting the locational requirements of paragraph 5.8.1 hereof.

8.5. In any fiscal year in which HUD wishes to approve contract authority for assisted housing that does not conform to the percentages specified in paragraph 5.5.2, 5.5.3, 5.5.4 or 5.6.2 hereof, or to the provisions of paragraph 5.7 or 5.8.2 hereof, it may approve such contract authority with the written consent of plaintiffs' counsel without obtaining an order from the Court. If plaintiffs' counsel does not consent, HUD may seek a Court Order waiving the provision in question. CHA may seek plaintiffs' counsel's consent or, where necessary, a Court order waiving any of the provisions referred to in this paragraph with respect to contract authority for public housing projects. If HUD wishes to approve contract authority that does not conform to the provisions of subparagraph (i), (ii), or (iii) of paragraph 5.8.2, it must show, with respect to subparagraph (i) or (ii), that there is no practical alternative to approving such contract authority, or, with respect to subparagraph (iii), that approving the contract authority is in the best interests of the community where the assisted housing would be located.

8.6. HUD's ability to perform any of its obligations specified in this Decree is subject to the availability of funding from Congress for any purpose for which such funding is required and to the existence of statutory authority generally authorizing acts necessary for performance by HUD. HUD shall not be held in contempt of this Court, or otherwise punished, for non-compliance with this Decree on account of failure to perform resulting from the unavailability of funding from Congress necessary for compliance, or from the modification or revocation of statutory authority necessary for compliance, or from the failure of HUD or any other person to seek such authority or funding from Congress. Notwithstanding the foregoing, if at any time before the termination of HUD's obligations under paragraph 5.1, 5.2, 8.1, or 8.2, Congress fails to appropriate funds necessary for compliance, or revokes or substantially modifies any statutory authority of HUD necessary for compliance so as to prevent HUD from providing the relief specified in this Decree, plaintiffs shall be entitled to receive alternative relief comparable to that specified herein and consistent with HUD's revised funding or statutory authority for assisted housing. In such event, HUD and plaintiffs' counsel shall consult in an effort to agree upon a proposed modification of this Decree to provide such relief. If the parties agree upon a proposed modification, they shall promptly submit the same to the Court for approval. If after a reasonable time the parties cannot agree, the entire matter shall at the instance of either HUD or the plaintiffs be submitted to the Court for adjudication. In no event, however, shall such a revision in HUD's funding or statutory authority constitute grounds for reopening this Decree for any purpose other than providing such alternative relief comparable to that specified herein.

8.7. Where HUD has agreed in this Decree solely to consult with plaintiffs' counsel or consider or explore taking any action not specifically required hereunder, HUD shall undertake such consultation, consideration or exploration in good faith, but its failure actually to take the action which is the subject of such consultation, consideration or exploration shall not be grounds for contempt.

8.8. Nothing in this Part 8 shall be construed to prevent either HUD or the plaintiffs from opposing any application by the other to the Court for any order for the construction, implementation, modification or enforcement of this Consent Decree.

Enter: _____
District Judge

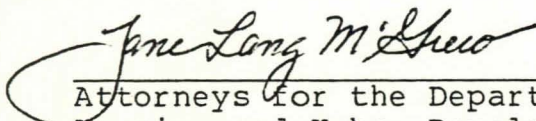
Dated: _____

Conditionally approved,

District Judge

Dated: _____

THE UNDERSIGNED CONSENT TO THE ENTRY OF THIS DECREE:



Attorneys for the Department of
Housing and Urban Development



Attorneys for Plaintiffs

Dated: December 16, 1980

EXHIBIT A

CENSUS TRACT NUMBERS

102 through 109	1801 through 1803	6001 through 6016
201 through 209	1901 through 1914	6101 through 6106
301 through 310	2001 through 2006	6110 through 6115
318 through 319	2101 through 2109	6201 through 6204
401 through 410	2201 through 2229	6302 through 6305
501 through 515	2301 through 2305	6307 through 6309
601 through 634	2401 through 2408	6401 through 6408
701 through 718	2501 through 2505	6501 through 6505
801 through 802	3001 through 3002	6602 through 6606
810 through 817	3005 through 3012	6608 through 6611
901 through 903	3014 through 3020	7001 through 7005
1001 through 1007	3101 through 3115	7204 through 7205
1101 through 1105	3401 through 3405	7401 through 7404
1201 through 1204	5201 through 5206	7503 through 7504
1301 through 1305	5501	7601 through 7607
1401 through 1408	5605 through 5613	7701
1501 through 1512	5701 through 5705	8117
1601 through 1613	5801 through 5811	8209
1701 through 1711	5901 through 5907	8408

EXCLUDED FROM THE GENERAL AREA

8092
8096
8097
8098
8101
8125 (within 1 mile of 2519 and 2521)
8126 (within 1 mile of 2519 and 2521)
8127 (within 1 mile of 2519 and 2521)
8129 (within 1 mile of 2519 and 2521)
8130 (within 1 mile of 2519 and 2521)
8131 (within 1 mile of 2519 and 2521)
8132 (within 1 mile of 2519 and 2521)
8170 (within 1 mile of 8172 and 8173)
8171 (within 1 mile of 8172 and 8173)
8172
8173
8175 (within 1 mile of 8172 and 8173)
8176 (within 1 mile of 8172 and 8173)
8177 (within 1 mile of 8172 and 8173)
8164 (within 1 mile of 8172 and 8173)
8179 (within 1 mile of 8172 and 8173)
8180 (within 1 mile of 8172 and 8173)
8212 (within 1 mile of 5303 or 7505)
8214 (within 1 mile of 5303 or 7505)
8234 (within 1 mile of 5303 or 7505)
8235 (within 1 mile of 5303 or 7505)
8233 (within 1 mile of 5303 or 7505)
8243
8244
8249
8268
8269
8270
8271
8272
8273
8274
8275
8276
8289
8290
8291 (within 1/2 mile of 8294)
8294
8295 (within 1/2 mile of 8294)
8296 (within 1/2 mile of 8294)
8297 (municipality)
8837 (within 1/2 mile of 8294)
8838 (within 1/2 mile of 8294)

8303 (within 1/2 mile of 8294)
8305 (within 1/2 mile of 8294)
8509
8512
8623
8628
8615 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8622 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8624 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8625 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8626 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8627 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8629
8630 (within 1 mile of 8623, 8628, 8629, 8631, 8632)
8631
8632 (excluding Lake Bluff)
8807 (outside city)
8808
8813
8819
8820
8821
8824
8825
8830
8831
8836 (within 1/2 mile of 8294)

EXHIBIT B

CENSUS TRACT NUMBERS

101	2817 through 2826
311 through 317	2828 through 2836
320 through 321	2904 through 2906
719 through 720	3301
803	3304 through 3305
809	3501 through 3503
2317 through 2318	3506 through 3510
2409 through 2414	3901 through 3907
2418 through 2436	4101 through 4114
2705 south of Harrison Street	4201 through 4204
2715 through 2716	4211
2801 through 2803	4301 through 4303
2809	4305
2812 through 2813	4307
2815 south of Harrison Street	4309
2816 south of Harrison Street	4314
	4601 through 4602
	7207
	7502

1. AMENDMENT/ MODIFICATION OF CONTRACT 2. ISSUE DATE 3. REQUISITION/PURCHASE REQUEST NO 4. PROJECT NO (if applicable)		5. 1 below
6. CONTRACTING OFFICER Department of Housing and Urban Development 30 South Wacker Drive, Chicago, IL 60606		7. ADMINISTERED BY (if other than block 5) Regional Contracting Officer (312) 353-8993
8. CONTRACTOR NAME AND ADDRESS CODE _____ FACILITY CODE _____ Leadership Council for Metropolitan Open Communities 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1470		9. AMENDMENT OF SOLICITATION NO. _____ DATED _____ (See block 9) 10. MODIFICATION OF CONTRACT/ORDER NO. H-4256 DATED 11/11/77 (See block 11)

EXHIBIT C

THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods:

(a) By signing and returning _____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

1. ACCOUNTING AND APPROPRIATION DATA (if required)

THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS

(a) ☐ This Change Order is issued pursuant to _____
 The Changes set forth in block 12 are made to the above numbered contract/order.

(b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12.

(c) ☒ This Supplemental Agreement is entered into pursuant to authority of Mutual agreement of the Parties.
 modifies the above numbered contract as set forth in block 12.

1. DESCRIPTION OF AMENDMENT/MODIFICATION

WHEREAS, the Contractor and the Department have entered into Contract H-4256 under the date of November 11, 1977, which, together with any and all amendments, changes, modifications, and supplements thereto, including this amendment, is hereinafter referred to as the "Contract"; and

WHEREAS, simultaneously with the execution of this amendment, the Department and the plaintiffs are executing a Consent Decree in the case entitled Gautreaux, et al. v. Landrieu, et al., No. 66 C 1459-60, in the U.S. District Court for the Northern District of Illinois to which the Contract (including this amendment) is attached as an exhibit; and

WHEREAS, the Government's interest will best be served by entering into this amendment;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable considerations, the parties hereto do mutually agree to this amendment as follows:

except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.

3. ☐ CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT		☒ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN <u>3</u> COPIES TO ISSUING OFFICE	
4. NAME AND TITLE OF SIGNER (Type or print) _____ (Signature of person authorized to sign)		17. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)	
16. DATE SIGNED _____		18. NAME OF CONTRACTING OFFICER (Type or print) _____	
19. DATE SIGNED _____		18. DATE SIGNED _____	

1. This amendment shall be effective as of the effective date of the Consent Decree.

2. The INDEX OF ARTICLES is changed as follows:

(a) The title of ARTICLE XIII is changed to read, "ARTICLE XIII - CONTRACT TERMINATION, MODIFICATION AND RENEWAL."

(b) A new ARTICLE XIV is added as follows: "ARTICLE XIV - MARKETING ARRANGEMENTS."

3. ARTICLE I - SCOPE OF WORK and paragraph 3 of Amendment No. 4 are deleted in their entirety and the following new Article I is substituted:

"ARTICLE I - SCOPE OF WORK

The Contractor shall furnish the necessary personnel, materials, services, equipment, facilities (except as otherwise specified herein) and otherwise do all things necessary for or incident to the performance of the work set forth in Attachment A, Specifications, attached hereto, and the Consent Decree, each of which is hereby made a part hereof. Currently the Contractor is providing the services of approximately 7 professional and 3 clerical employees to locate, counsel and assist Gautreaux families to find housing units and to locate owners of housing willing to participate in the program. It is expected that the number of families to be counseled and the number of units available will increase over the period of the Contract. Commencing March 1, 1981, the Contractor shall provide the services of approximately 9 professional employees and 4 clerical employees. Any further increases in staff shall be subject to the approval of the GTR (which approval shall be in the sole discretion of the GTR).

When the word 'Demonstration' is used herein it shall be deemed to refer to the work to be performed hereunder.

4. ARTICLE VI - CONTRACT PERIOD is changed by deleting the completion date of "on or before June 30, 1981" and substituting the new completion date of September 30, 1981.

5. Paragraph A of ARTICLE VII - ESTIMATED COST AND PERFORMANCE SCHEDULE is deleted, and the following new paragraph is substituted:

"The maximum total cumulative cost for performing the tasks under this Contract since its original execution is \$1,020,500, provided that \$44,700 of such amount, being the portion of such maximum total costs allocated to the performance of Task No. 6, Attachment A, Specifications, hereto, for the period February 1, 1980 through September 30, 1980, shall be available only in the event and to the extent sums for the performance of such task are not made available by sources other than the Department, and provided further that the obligation of the Department to make any funds available for the performance of such Task No. 6 shall be limited by the provisions of paragraph 5.6.1 of the Consent Decree and shall also be limited to the amount of reallocated Community Development Block Grant funds to be made available by the Department pursuant to that paragraph. This total cost amount is based on the leasing to Gautreaux families pursuant to the Contract since its original execution of a cumulative minimum of 975 units under the Section 8 Existing Housing Program (including units leased to Gautreaux families utilizing reissued Section 8 Existing certificates). In the event units become available for occupancy by Gautreaux families during the term of this Contract under the Section 8 New Construction and/or Substantial Rehabilitation Programs, the Section 8 Loan Management Set-Aside Program, the Section 8 Set-Aside Program for State Housing Finance and Development Agencies, the Section 8 Moderate Rehabilitation Program, the Traditional Public Housing Program, the Rent Supplement Program, the Rental Assistance Payments Program, or under any future assisted housing program enacted by Congress or established by the Department as an addition to or alternative or substitute for such programs, then adjustments, if necessary, shall be made in accordance with the provisions of the "CHANGES" clause of the General Provisions. With the approval of the GTR, units leased to Gautreaux families under such programs may be substituted for units leased under the Section 8 Existing Housing Program to reach the minimum number referred to above."

6. The following new paragraph E is added to ARTICLE VII - ESTIMATED COST AND PERFORMANCE SCHEDULE:

"The Department's obligation to make available additional Section 8 Existing Housing Program contract authority for use in placing Gautreaux families under this Contract is limited to its obligations under its Letter of Agreement with Alexander Polikoff dated November 8, 1979, and under paragraph 5.5.1 of the Consent Decree."

7. ARTICLE VIII - OTHER CONTRACTORS is changed by the addition at the end thereof of the following paragraphs:

"Subject to the provisions of Contract H-4156 between the Department and the Fair Housing Center of Home Investments Fund, the Department will afford all public housing agencies in the Chicago SMSA the opportunity to participate in the performance of the work hereunder. Participating public housing agencies will provide for (1) the inspection of units prior to occupancy, (2) assistance in initial occupancy, (3) execution and administration of the Housing Assistance Payments Contract with owners, and (4) performance of the other functions of public housing agencies under the Section 8 Existing Housing Program other than those functions being performed by the Contractor under Contract H-4256. Public housing agencies will receive the established 8-1/2% fee for performing its functions in connection with the Section 8 Existing Housing; the preliminary costs as referred to in 24 C.F.R. §882.104 will be set at \$100 per unit, subject to adjustment by the Department, in view of the fact that services funded by the Department will be provided by the Contractor hereunder. In areas where no public housing agency has been organized or where an existing public housing agency is unable or unwilling to participate, the Department will perform, by amendment or extension of Contract H-4156 with the Fair Housing Center of Home Investments Fund, or will otherwise provide for the performance of, the functions normally assigned to public housing agencies under the Section 8 Existing Housing Program.

The Department will amend Annual Contributions Contracts with participating public housing agencies to add the contract authority necessary to fund in full the additional number of units which each housing agency administers hereunder."

8. The introduction and paragraph (1) of ARTICLE XI - EVALUATION OF WORK are deleted in their entirety, and the following new introduction and paragraph (1) are substituted:

"The GTR shall perform monthly evaluations of the Contractor's progress in meeting the HUD-approved leasing schedule of assisting 975 families (for purposes of the evaluation, an "assisted family" is one whose application has been accepted by a landlord and has been referred to a PHA). Monthly evaluation during the period January 1, 1980, through September 30, 1981, shall include a meeting with

the Contractor to review its performance and all relevant factors affecting performance, including the availability of sufficient contract authority and the following:

1. Progress in meeting the approved leasing schedule of the number of families to be assisted, which is 725 families by December 31, 1980, 885 families by June 30, 1981, and 975 families by September 30, 1981;"

9. ARTICLE XII - ORDER OF PRECEDENCE is changed by the addition of the following sentence at the end thereof: "In the event of any conflict or inconsistency between the provisions of the Consent Decree and other provisions of the Contract, the provisions of the Consent Decree shall govern."

10. ARTICLE XIII - CONTRACT TERMINATION AND MODIFICATION is deleted in its entirety and the following new article is substituted:

"ARTICLE XIII - CONTRACT TERMINATION, MODIFICATION AND RENEWAL

1. The Department's right not to renew this Contract after September 30, 1981, is subject to the provisions of paragraph 5.4.2 of the Consent Decree. As provided in said paragraph 5.4.2, in the event that plaintiffs' counsel objects to any proposed successor to the Contractor and presents such objections to the Court within 14 days after a conference with the Department to resolve such objections, this Contract shall remain in effect until such time as the Court resolves the dispute.

2. If the Department proposes to contract with an entity other than the Contractor to perform any of the services specified in the Contract for all or any part of the period from October 1, 1981 to September 30, 1982, the Department will provide written notice to plaintiffs' counsel of the identity of such entity by July 15, 1981. If the Department does not provide such notice by said date, the Department will renew the Contract with the Contractor for the period October 1, 1981 - September 30, 1982, or for such longer period upon which the Department and the Contractor may mutually agree.

3. Thereafter the Department will provide such written notice not less than 75 days before the expiration of any renewal period of the Contract. Any subsequent renewal will be for a period of not less than 12 months, or until the Department's obligations under the Consent Decree terminate pursuant to paragraph 5.1, 5.2, 8.1, or 8.2 of the Consent Decree, whichever is shorter."

11. The following new article is added to the SCHEDULE:
"ARTICLE XIV - MARKETING ARRANGEMENTS"

In order to implement its obligations under paragraph 5.5.4 of the Consent Decree, the Department will require assisted housing units to be made available to Gautreaux families through the following marketing arrangements applicable to the programs covered by that paragraph, and the Contractor shall assist Gautreaux families to obtain housing in such assisted housing units as they are made available:

1. Sponsors shall notify the Contractor by telephone and in writing at least 30 days in advance of the commencement of any marketing or rental activities (whether of market rate or assisted housing units).
2. For a minimum of 30 days following the commencement of marketing or rental activities, the sponsor shall make available exclusively for Gautreaux families supplied by the Contractor pursuant to this Contract the number of assisted housing units in the bedroom sizes required under paragraph 5.5.4 of the Consent Decree. If the specified number of units in the appropriate bedroom sizes in any building cannot be made available to Gautreaux families in advance of the commencement of marketing or rental activities because of priority given to residents of the site or building who would otherwise be displaced, the next vacant unit or units of appropriate bedroom size shall be made available to Gautreaux families until the specified number of units is reached.
3. With respect to any assisted housing unit which becomes occupied and then is vacated by a Gautreaux family within 25 months of initial occupancy, sponsors shall notify the Contractor and make such vacant unit available exclusively for a Gautreaux family supplied by the Contractor for a period of not less than 60 days.

Without Court approval, modifications of these marketing arrangements may be agreed to from time to time between the Department and the Contractor, subject to the consent of plaintiffs' counsel which shall not be unreasonably withheld. In the case of projects using Section 8 contract authority made available pursuant to 24 C.F.R. Part 883, such modifications shall be made only after consultation with the Illinois Housing Development Authority; and in the case of projects funded by a local public housing agency, such modifications shall be made only after consultation with such agency.

12. Paragraph I, Objectives, of Attachment A, SPECIFICATIONS, is deleted in its entirety and the following new paragraph is substituted:

"I. Objectives

The purpose of the work to be performed under this Contract will be to assist 975 members of the plaintiff class (herein sometimes referred to as "Gautreaux families") to obtain housing in existing buildings throughout the Chicago SMSA under the Section 8 Housing Assistance Payments Program - Existing Housing (herein sometimes referred to as the "Section 8 Existing Housing Program") and to assist additional Gautreaux families to obtain housing when units become available for occupancy in structures constructed or acquired throughout the Chicago SMSA under the Section 8 Housing Assistance Payment Program for New Construction and/or Substantial Rehabilitation (herein sometimes referred to as the "Section 8 New Construction and/or Substantial Rehabilitation Programs"), the Section 8 Loan Management Set-Aside Program, the Section 8 Set-Aside Program for State Housing Finance and Development Agencies, the Section 8 Moderate Rehabilitation Program, the Traditional Public Housing Program, the Rent Supplement Program, the Rental Assistance Payments Program, or under any future assisted housing program enacted by Congress or established by the Department as an addition to or alternative for such programs, all in accordance with the provisions of the Consent Decree referred to above. The work will include the development of methods and procedures to accomplish the program and report on its progress. "Members of the plaintiff class," "Gautreaux families," and any like phrases used herein shall mean "eligible persons" as defined in paragraph 2.3 of the Consent Decree."

13. Subparagraph 6 of Paragraph A. General Tasks of Attachment A, SPECIFICATIONS, is deleted in its entirety and the following new subparagraph is substituted:

"6. Provide supportive services as needed to Gautreaux families who have occupied assisted housing units pursuant to this Contract."

14. The first paragraph of subparagraph b. of Paragraph B.1. Specific Tasks of Attachment A, SPECIFICATIONS is changed by deleting June 30, 1981, and substituting the new date of September 30, 1981.

15. Subparagraph 1.c. of Paragraph B. Specific Tasks, by Attachment A, SPECIFICATIONS, is deleted in its entirety and the following new subparagraph 1.c. is substituted:

"c. Gautreaux families shall be located as follows:

i. Unless otherwise approved by the GTR, the goals on a jurisdictional basis for the 975 units of Section 8 Existing Housing Assistance to be obtained for Gautreaux families will be in an approximate allocation of 300 units for Cook County, 300 units for DuPage County, 50 units for Kane County, 75 units for Will County, 15 units for Lake County, 10 units for McHenry County, and 225 units for the City of Chicago.

ii. Gautreaux families shall be located in each jurisdiction in a dispersed fashion; not more than one-third of the units allocated to the City of Chicago shall be located in the Limited Area, as defined in the Consent Decree, of the City and not more than one-third of the units allocated to the counties specified shall be located in the Limited Area, as defined in the Consent Decree, within such counties."

16. Subparagraph 2.a.ii. of Paragraph B. Specific Tasks, of Attachment A, SPECIFICATIONS, is changed by the addition of the following phrase at the end thereof: "and Owners of projects participating in any other programs referred to in Paragraph I, Objectives, of these SPECIFICATIONS."

17. Subparagraph 3.a. of Paragraph B. Specific Tasks, of Attachment A, SPECIFICATIONS, is deleted in its entirety and the following new subparagraph 3.a. is substituted:

"a. Obtain from CHA from time to time a list of all tenants of CHA family projects, and a list of all applicants for such projects to whom CHA assigned a registration number before the effective date of the Consent Decree."

18. Subparagraph 6 of Paragraph B. Specific Tasks, of Attachment A, SPECIFICATIONS, is deleted in its entirety and the following new subparagraph 6 is substituted:

"6. Supportive Services to Gautreaux Families who have Occupied Assisted Housing Units Pursuant to this Contract.

Tasks 6.a. through 6.g. are tasks begun by the Contractor on a limited basis in the previous contract that are now to be expanded and continued as expanded for the remainder of the Contract period.

a. Gautreaux families will be contacted by personal visit, mail or telephone within 90 days of placement, and Contractor will provide such additional counseling and assistance to them as will aid in assuring a satisfactory adjustment to the new environment. Families will be informed of the availability of a supportive services counselor to assist them if any problems arise.

b. Owners or managers will be contacted by mail, within 90 days of placement of a Gautreaux family in a unit under their ownership or management, and informed of the availability of a supportive services counselor to assist with problems that may arise in the adjustment of the Gautreaux family to the new environment.

c. Counseling and/or referral to appropriate public or private agencies involved with employment, education, health and social services will be provided to assisted families or owners or managers who request assistance, in consultation with the appropriate public housing agency (PHA).

d. In providing counseling and assistance to Gautreaux families, the Contractor shall work with the appropriate PHA, to the extent feasible, to help the Gautreaux family develop an ongoing relationship with such PHA.

e. Contractor will maintain information on social services available to Gautreaux families through regular contact with agencies offering such services, and will provide such information to families in written lists or directories, where feasible, and will make direct referrals when requested.

f. Contractor will contact each of the Gautreaux families placed hereunder by mail approximately 90 days before each of the first two lease renewals for that family's unit to offer assistance in effectuating the renewal.

g. The counseling and assistance services described in Tasks 6.a. through 6.f. are to be offered to a Gautreaux family for no longer than 25 months after placement of that family. However, any Gautreaux family who has a specific problem relating to its placement in, or occupancy of, an assisted unit at any time during its participation in the program conducted by the Contractor under this Contract may call upon the Contractor for counseling or assistance to resolve such problem.

h. With the approval of the GTR, the Contractor may subcontract for the performance of Tasks 6.a. through 6.g."

19. The following new subparagraph 8.d.(iv) is added to paragraph B.1, Specific Tasks of Attachment A, SPECIFICATIONS:

"iv. The Contractor shall submit to HUD such information about the program conducted under the Contract as HUD reasonably requests to meet its reporting obligation under Part 6 of the Consent Decree."

20. Block 21 of the Contract Cover Sheet (Standard Form 26) is changed to show the new contract amount of \$1,020,500.

STANDARD FORM 26, JULY 1966 CENTRAL SERVICES ADMINISTRATION FD-410 (REV. 1-16-101)		AWARD/CONTRACT		PAGE 1 OF 60
1. CONTRACT (Proc. Instr. Ident.) NO. H - 1256	2. EFFECTIVE DATE	3. REQUISITION/PURCHASE REQUEST/PROJECT NO.	4. CERTIFIED FOR NATIONAL DEFENSE UNDER BDSA REG. 2 AND/OR DMS REG. 1. RATING:	

5. BY Contracting Officer DHID - Chicago Regional Office 300 South Wacker Drive Chicago, Illinois 60606	6. ADMINISTERED BY (If other than block 5) Regional Contracting Officer (312) 353-7635	7. DELIVERY FOR DESTINATION ☐ NATION ☐ OTHER (See below)
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8. CONTRACTOR NAME AND ADDRESS Leadership Council for Metropolitan Open Communities 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1470	9. DISCOUNT FOR PROMPT PAYMENT EXHIBIT C
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11. SHIP TO/MARK FOR Department of Housing & Urban Development Attn: Inez Tremain 1 North Dearborn Street Chicago, Illinois 60602	12. PAYMENT WILL BE MADE BY Department of Housing & Urban Development Financial Review and Accounting Division 300 South Wacker Drive Chicago, Illinois 60606
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13. THIS PROCUREMENT WAS ☐ ADVERTISED, ☒ NEGOTIATED PURSUANT TO: ☐ 10 U.S.C. 2304 (a)(1) ☒ 41 U.S.C. 252 (a)(1)

14. ACCOUNTING AND APPROPRIATION DATA 8680139 Reservation # 05-H(Sec. 8)-06-78-01
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15. ITEM	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
CONTRACT FOR A PROGRAM TO ASSIST THE MEMBERS OF THE GAUTREAUX PLAINTIFF CLASS TO FIND EXISTING HOUSING UNITS AND LOCATE OWNERS OF HOUSING WILLING TO PARTICIPATE IN A SECTION 8 EXISTING HOUSING DEMONSTRATION PROGRAM.					
THIS CONTRACT CONSIST OF SF - 26, AWARD/CONTRACT, AND THE FOLLOWING ATTACHMENTS WHICH ARE INCORPORATED HEREIN AND MADE A PART HEREOF:					
1. Contract Schedule including Index of Articles (6 pages)					
2. ATTACHMENT A - Specifications (14 pages)					
3. ATTACHMENT B - Schedule of Key Personnel (1 page)					
4. ATTACHMENT C - Reports of Work (2 pages)					
5. Advance Payment Provisions (7 pages)					
6. General Provisions, HUD - 747 (16 pages)					
7. Alterations to General Provisions, HUD - 747.2 (3 pages)					
8. Additional General Provisions, HUD - 747.1 (7 pages)					
9. Additional Provisions (Clean Air and Water Clause, Employment of the Handicapped) (4 pages)					

21. CONTRACT TYPE: Cost Reimbursement	TOTAL AMOUNT OF CONTRACT \$ 310,000
CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE	

22. ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, (c) such provisions, representations, certifications, and specifications, as are furnished or incorporated by reference herein. (Attachments are listed herein.)	26. ☐ AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
--	--

23. NAME OF CONTRACTOR BY /s/ Kale Williams (Signature of person authorized to sign)	27. UNITED STATES OF AMERICA BY /s/ Henry J. Maliga (Signature of Contracting Officer)
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24. NAME AND TITLE OF SIGNER (Type or print) Kale Williams Executive Director	25. DATE SIGNED 11/11/77	28. NAME OF CONTRACTING OFFICER (Type or print) Henry J. Maliga	29. DATE SIGNED 11/11/77
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SCHEDULE
INDEX OF ARTICLES

ARTICLE I	-	SCOPE OF WORK
ARTICLE II	-	CONDUCT OF WORK
ARTICLE III	-	INSPECTION AND ACCEPTANCE
ARTICLE IV	-	REPRODUCTION OF REPORTS
ARTICLE V	-	COORDINATION OF FEDERAL REPORTING SERVICES
ARTICLE VI	-	CONTRACT PERIOD
ARTICLE VII	-	ESTIMATED COST AND PAYMENT
ARTICLE VIII	-	OTHER CONTRACTORS
ARTICLE IX	-	SERVICES OF CONSULTANTS OR SUBCONTRACTORS
ARTICLE X	-	REPORTS OF WORK
ARTICLE XI	-	EVALUATION OF WORK
ARTICLE XII	-	ORDER OF PRECEDENCE

SCHEDULE

ARTICLE I - SCOPE OF WORK

The Contractor shall furnish the necessary personnel, materials, services, equipment, facilities (except as otherwise specified herein) and otherwise do all things necessary for or incident to the performance of the work set forth in Attachment A, Specifications, attached hereto and hereby made a part hereof.

ARTICLE II - CONDUCT OF WORK

- A. The Government Technical Representative (GTR) for liaison with the Contractor as to the conduct of the work is Inez Tremain (353-7660), or a successor designated in writing by the Contracting Officer.
- B. The GTR may issue written or oral instructions to fill in details in the Statement of Work described in this Contract. Such instructions must be within the scope of the work set forth in this Contract and may not be of such a nature as to affect price, period of performance or any other provisions of this Contract.
- C. The Contractor's work hereunder shall be carried out under the supervision of Henry Zuba.
- D. See Attachment B for Schedule of Key Personnel provided as required under Clause 27 of the General Provisions.

ARTICLE III - INSPECTION AND ACCEPTANCE

Final inspection, pursuant to the Clause entitled "INSPECTION" of the General Provisions, and acceptance of all work required under this Contract shall be performed by the GTR.

ARTICLE IV - REPRODUCTION OF REPORTS

Reproduction of reports, data or other written material, if required herein is authorized provided that the material produced does not exceed 5,000 production units of any page and that items consisting of multiple pages do not exceed 25,000 production units in aggregate. The aggregate number of production units is to be determined by multiplying pages times copies. A production unit is one sheet, size 8 by 10-1/2 inches or less, printed on one side only and in one color. All copy preparation to produce camera ready copy for reproduction must be set by methods other than hot metal typesetting. The reports should be produced by methods employing stencils,

masters and plates which are to be used on single unit duplicating equipment no larger than 11 by 17 inches with a maximum image of 10-3/4 by 14-1/4 inches and are prepared by methods or devices that do not utilize reuseable contact negatives and/or positives prepared with a camera requiring a darkroom. All reproducibles (camera ready copies for reproduction by photo offset methods) shall become the property of the Government and shall be delivered to the Government with the report, data or other written material.

ARTICLE V - COORDINATION OF FEDERAL REPORTING SERVICES

In the event that it is a contractual requirement to collect information from ten or more public respondents, the provisions of 44 U.S.C. Chapter 35 shall apply to this Contract and the Contractor shall obtain through the Government Technical Representative (GTR) the required Office of Management and Budget clearance before making public contacts for the collection of data or expending any funds. The authority to proceed with the collection of data from public respondents and expend funds shall be in writing signed by the Contracting Officer.

ARTICLE VI - CONTRACT PERIOD

The Contractor shall complete all work hereunder by January 31, 1979. The final report shall be delivered thirty (30) days from the termination date of this Contract.

ARTICLE VII - ESTIMATED COST AND PERFORMANCE SCHEDULE

- A. The maximum total costs for performing the tasks under this Contract is \$310,000.00. This amount is based on the leasing to Gautreaux families under this Demonstration of a minimum of 470 units under the Section 8 Existing Housing Program. In the event units become available for occupancy by Gautreaux families during the term of this Contract under the Section 8 New Construction and/or Substantial Rehabilitation Programs, the Section 8 Loan Management Set-Aside Program, the Section 8 Set-Aside Program for State Housing Finance and Development Agencies or the Traditional Public Housing Program, then adjustments, if necessary, shall be made in accordance with the provisions of the "CHANGES" clause of the General Provisions.
- B. HUD does not intend to reimburse the Contractor or any other individuals for relocation expenses incurred by Gautreaux families assisted under the Demonstration.

- C. Invoice or public voucher shall be identified by the Contract Number and submitted in original and five (5) copies to the Contract Administrator at the address shown in block 5 of the fact page (SF 26).
- D. In processing payment to the Contractor, the terms and conditions of the "ADVANCE PAYMENTS CLAUSE," which is incorporated herein and made a part hereof as Attachment E, will apply.

ARTICLE VIII - OTHER CONTRACTORS

The Government may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with such other Contractors and Government employees and carefully fit its own work to such additional work. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Government employees.

The foregoing paragraph shall be included in the contracts of all contractors with whom this Contractor will be required to cooperate. The Government shall equitably enforce this clause as to all Contractors, to prevent the imposition of unreasonable burdens on any contractor.

ARTICLE IX - SERVICES OF CONSULTANTS OR SUBCONTRACTORS

Except as otherwise expressly provided elsewhere in this Contract, and notwithstanding the provisions of the clause of this Contract entitled "SUB-CONTRACTING," the prior written approval of the Contracting Officer shall be required:

- (a) Whenever any subcontract is to be awarded by the Contractor,
- (b) For the utilization of the services of any Consultant under this Contract except when the Consultant has been identified and rates established during negotiations of this Contract.

Whenever Contracting Officer approval is required, the Contractor will obtain and furnish to the Contracting Officer information concerning the need of such consultant or subcontract services and the reasonableness of the fees or cost to be paid. In connection with the consultant services, the Contractor shall state whether fees to be paid exceed the lowest fee charged by such consultant to others for performing consultant services of similar nature.

Except as set forth above, all approvals shall be subject to the Contract clause entitled "SUBCONTRACTING."

Payments to any subcontractor or consultant must be made from funds available under the HUD-approved budget described in Article VII.A.

ARTICLE X - REPORTS OF WORK

Attachment C entitled "REPORTS OF WORK" is hereby made a part of this Contract. Reports of Work shall include the following:

Monthly Technical Progress Narratives
Final Report
Report Distribution.

ARTICLE XI - EVALUATION OF WORK

The GTR shall perform monthly evaluations of the Contractor's progress in meeting the HUD-approved leasing schedule of assisting 186 families (for purposes of the evaluation, an "assisted family" is one whose application has been accepted by a landlord and has been referred to a PHA) during the six month period from November 1, 1977, through April 30, 1978, and 284 families during the nine month period May 1, 1978, through January 31, 1979. Monthly evaluation during the period November 1, 1977, through April 30, 1978, shall include a meeting with the Contractor to review its performance and all relevant factors affecting performance. A thorough evaluation of progress in meeting the leasing schedule shall be performed by the GTR after the six month period ending on April 30, 1978, and quarterly thereafter. Such evaluation shall include but not be limited to the following factors:

1. Progress in meeting the approved leasing schedule of the number of families to be assisted, which is 186 families by April 30, 1978, 279 families by July 31, 1978, 372 families by October 31, 1978, and 470 families by January 31, 1979;
2. The actual average cost per family assisted in relation to the approved budget;
3. Circumstances in the rental housing market which affect the Contractor's ability to secure the participation of owners, including, but not limited to, vacancy rates and the relation of actual market rents to HUD Fair Market Rents;

4. The location, size and accessibility of units made available by owners;
5. Unforeseen changes which make the program unacceptable to Gautreaux families (i.e., incidents of hostility with attendant unfavorable publicity which would adversely affect the number of Gautreaux families participating);
6. Circumstances in a PHA's administration of the program which affect the Contractor's ability to perform the Contract (i.e., slow payment of rents which makes owners disinclined to participate);
7. The ability of the Contractor to employ and retain staff at budgeted levels;
8. The ability of the Contractor to maintain high professional standards;
9. Other unforeseen factors not within the Contractor's ability to control which may affect the Contractor's ability to perform the Contract.

Based on the April 30, 1978, evaluation and subsequent quarterly evaluations, the Government may modify Attachment A, the Specification, pursuant to the provisions of the "CHANGES" clause of the General Provisions. Notwithstanding the foregoing, the Government shall not be precluded from making any other modifications during the term of this Contract pursuant to the authority of the "CHANGES" clause.

ARTICLE XII - ORDER OF PRECEDENCE

Notwithstanding any provisions of this contract to the contrary, in the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order: (a) the Schedule; (b) General Provisions; (c) the other provisions of the contract whether incorporated by reference or otherwise.

ATTACHMENT A

SPECIFICATIONS

I. Objectives

The purpose of this Demonstration will be to assist 470 members of the plaintiff class (hereinafter referred to as "Gautreaux families") to obtain housing in existing buildings throughout the Chicago SMSA under the Section 8 Housing Assistance Payments Program - Existing Housing (hereinafter referred to as the Section 8 Existing Housing Program) and to assist an additional 500 Gautreaux families to obtain housing when units become available for occupancy in structures constructed or acquired throughout the Chicago SMSA under the Section 8 Housing Assistance Payment Program for New Construction and/or Substantial Rehabilitation (hereinafter referred to as the Section 8 New Construction and/or Substantial Rehabilitation Programs) as well as the Traditional Public Housing Program. The Demonstration will include the development of methods and procedures to accomplish the program and report on its progress. For the purpose of performing this Contract members of the plaintiff class shall consist of tenants of Chicago Housing Authority (CHA) family projects and applicants on the waiting list for admission to CHA family projects any time on or before December 31, 1977.

II. Statement of Work

A. General Tasks

The Contractor shall furnish or obtain personnel, materials, facilities and supervision, as described below, to:

1. Locate housing owners willing to participate in the Demonstration Section 8 existing Housing Program throughout the Chicago SMSA.
2. Cooperate with Public Housing Agencies (PHA) and developers who have agreed to participate in the Section 8 New Construction and/or Substantial Rehabilitation Programs, the Section 8 Loan Management Set-Aside Program and the Traditional Public Housing Program throughout the Chicago SMSA.
3. Notify Gautreaux families of the opportunity to participate in the Demonstration.
4. Counsel eligible Gautreaux families on the requirements of the Section 8 Housing Assistance Payments Program and assist in the selection of an appropriate dwelling unit.
5. Record any complaints of discrimination arising from the performance of this Contract and refer the complainant to an appropriate agency.

6. Provide follow-up counseling and referrals as needed to appropriate social service agencies for a 90 day period after a Gautreaux family begins occupancy in a unit selected under this Demonstration.

7. Identify constraints which limit the effectiveness of the Demonstration in providing housing opportunities to Gautreaux families.

8. With the assistance of HUD and approval of the GTR, establish appropriate procedures for reporting on the Demonstration.

9. Any revisions of procedures or materials approved under the previous contract with respect to performance of the above tasks shall be submitted to the GTR for approval within 15 days in the case of procedures and 30 days in the case of materials of the date of execution of this Contract. The same time period applies to new procedures or materials.

B. Specific Tasks

1. Locating Housing Owners Willing to Participate in the Demonstration Section 8 Existing Housing Program.

Tasks 1.a. through 1.c. are continuing tasks initiated during the previous contract. These tasks will be reviewed and revised on the basis of that experience and continued with appropriate modifications for the remainder of the contract period.

a. Review existing materials and produce new materials if appropriate in order to explain the operation of this Demonstration and the Section 8 Existing Housing Program to owners and managers.

b. Employ the services of one or more realty specialists as approved by the GTR to obtain the participation in the Demonstration of owners and managers of as many housing units as is possible.

i. Special efforts will be made to obtain the participation of owners and managers of more than 500 units.

ii. Personally solicit owners and managers to participate in the Demonstration.

iii. Utilize all commonly available resources (including newspapers) which list or provide information on rental units.

iv. Continue cooperative efforts with agencies of the Fair Housing Network and citizens and community groups including but not limited to real estate boards, property manager associations, real estate brokers, human relation commissions, the League of Women Voters and religious groups to locate owners and managers of single family and multifamily units willing to participate in the Demonstration.

c. Unless otherwise approved by the GTR, the goals on a county by county basis for the number of units to be located for Gautreaux families is as follows:

i. The ³⁷⁵470 units of Section 8 Existing Housing Assistance will be in an approximate allocation of 130 units for Cook County, 135 units for Dupage County, 20 units for Kane, Will, Lake and McHenry Counties each, and 0-125 units for the City of Chicago and designated minority areas outside of the City of Chicago.

d. After approval is given by the GTR, the Contractor shall contact managing agents of developments for which HUD is the owner of mortgagee in possession in order to place Gautreaux families in available units.

e. Encourage eligible Gautreaux families to locate approvable units in the areas of operation of the Demonstration.

f. The Contractor may subcontract for the performance of tasks 1.a. through 1.c. either upon the recommendation of the GTR or on its own initiative after approval of the Government in accordance with the procedures of Article IX of the Schedule.

2. Cooperation with PHAs and Developers Participating in the Section 8 New Construction and/or Substantial Rehabilitation Programs, the Section 8 Loan Management Set-Aside Program, and the Traditional Public Housing Program.

Task 2.b. is a continuing task initiated during the previous contract and will be continued. Task 2.a. and part of task 2.b. will begin on the date of execution of this Contract and only upon notification of the GTR.

a. Upon notification from the GTR that the Final Proposal of an Owner has received a Notification of Approval, the Contractor shall arrange with the Owner to provide housing opportunities for Gautreaux families in accordance with any Agreement between the Owner and HUD.

470
575
114
222
375

i. These arrangements shall include but not be limited to obtaining information sufficient to counsel and assist Gautreaux families on available housing units, reservation of units for Gautreaux families and referrals of Gautreaux families to Owners for occupancy of available units at the earliest possible opportunity.

ii. For the purpose of this Task 2.a., Owners include owners of projects to be insured under the Section 221 (d)(4) FHA Mortgage Insurance Program, Owners of projects participating in the Section 8 Loan Management Set-Aside Program and Owners of projects receiving assistance under the Section 8 New Construction and/or Substantial Rehabilitation Programs, as well as Owners receiving Section 8 Housing Assistance through the Illinois Housing Development Authority (IHDA).

b. Continue cooperative efforts with PHAs to providing housing opportunities for Gautreaux families and after notification from the GTR that a particular Application for Traditional Public Housing has been approved, enter into arrangements with the PHA similar to those contemplated under task 2.a.i. above.

3. Notification of Gautreaux Families

Tasks 3.a. and 3.b. are continuing tasks initiated during the previous contract. These tasks will be reviewed and revised on the basis of that experience and continued with appropriate modifications for the remainder of the Contract period.

a. Obtain from CHA a list of all tenants of CHA family projects and of all applicants on the waiting list for admission to CHA family projects on or before ~~December 31, 1977.~~

i. Initial mail notification to Gautreaux families of housing opportunities that may be available through this Demonstration may either be accomplished through periodic mailings or through a large mass mailing, subject to the approval of the GTR.

b. With the approval of the GTR, implement procedures to identify and establish an order of priority for assisting eligible Gautreaux families in selecting a rental unit.

4. Counseling and Assistance to Gautreaux Families

Tasks 4.a. and 4.c. are continuing tasks initiated during the previous contract. These tasks will be reviewed and revised on the basis of that experience and continued with appropriate modifications for the remainder of the Contract period.

a. Develop standard procedures for counseling Gautreaux families who respond positively to notifications and assisting them in considering housing choices throughout the market area. Procedures will include the following steps:

i. An initial counseling session will be held for interested Gautreaux families to explain the operation of the Section 8 Housing Assistance Program and provide information on the nature of the housing market and available housing units.

ii. For Gautreaux families expressing a further interest in the Section 8 Housing Assistance Program, conduct an interview in the home during which additional information on specific housing locations will be provided and information equivalent to that required by a PHA in order to issue a Certificate of Family Participation and establish the appropriate unit size for which they qualify will be obtained.

iii. The Contractor shall determine whether Families qualify as Lower-Income Families and Very Low-Income Families in accordance with schedules of income limits that HUD establishes from time to time.

iv. At least 30 percent of the eligible Gautreaux families referred to PHAs or to the Fair Housing Center of Home Investments Fund (HIF) or any successor shall be Very Low-Income Families.

v. Every applicant for a Certificate of Family Participation ("Certificates") shall complete and sign the form of application prescribed by HUD.

vi. Determination of Income for eligibility and Gross Family contribution shall be made in accordance with the criteria published at 24 CFR 889.101 et seq., which is incorporated herein. Verification of the sources of the

family's income and other information for determining eligibility and the amount of the assistance payment shall be the responsibility of the Contractor.

vii. The Contractor shall prepare and deliver for execution by the appropriate PHA or HIF or its successor, Certificates for each Family it has determined to be eligible. The Contractor shall issue a certification on a form prescribed by HUD for each Family it has determined to be eligible.

viii. The Contractor shall maintain such records as required by HUD concerning applicant and certified Families, including records sufficient to provide HUD with racial, gender and ethnic data.

ix. The Contractor is responsible for assuring that each Family receives a Certificate Holder's Packet which shall include:

(A). Request for Lease Approval;

(B). Required Lease Provisions and Prohibited Lease Provisions.

(C). Information regarding lead-based paint poisoning hazards, symptoms and precautions;

(D). The forms for inspection of housing units and certification of compliance with the Housing Quality Standards;

(E). Fair Housing U.S.A. (HUD-63-EO(6)), or the Spanish translation thereof (HUD-169-EO(2)), as appropriate, both issued by the U.S. Department of Housing and Urban Development;

(F). Information as to the Gross Family Contribution, and the Fair Market Rent appropriate for the Family size and composition;

(G). The schedule of Allowances for Utilities and Other Services ("Allowance"); and

(H). Such other items as HUD may determine should be included.

x. When a Family has been certified as eligible for participation in the program a full explanation shall be provided to assist the Family in selecting a suitable unit and to apprise the Family of its responsibilities and the responsibilities of the Owner (this may be done either in group or individual sessions; adequate opportunity shall be provided for Families to raise questions and to discuss the information provided.) This explanation shall include the following:

(A). Family and Owner responsibilities under the Lease and Housing Assistance Payments Contract (HAP Contract);

(B). Applicable housing quality standards and procedures for Family and Owner inspections and for their individual certifications of compliance with those standards;

(C). Significant aspects of the applicable State and local laws;

(D). Significant aspects of Federal, State and local fair housing laws;

(E). Applicable Fair Market Rent, determination of Gross Family Contributions and establishment of housing assistance payments; and

(F). That the Family may obtain copies of the Housing Quality Standards, the HAP Contract and other pertinent forms or documents, on request.

xi. If an applicant is determined by the Contractor to be ineligible on the basis of Income or family composition, or for any other reason, the Contractor shall promptly notify the applicant by letter of the determination and the reasons therefor, and the letter shall state that the applicant has the right within 30 days to appeal the determination to HUD.

(A). The Contractor shall maintain a complete record on each applicant and if requested forward said record to HUD.

(B). The procedures of this subsection xi. do not preclude the applicant from exercising its other rights if it believes it is being discriminated against on the basis of race, color, creed, religion, sex or national origin.

xii. Interested eligible Gautreaux families will be provided assistance in visiting available housing units in areas of their choice and provided information on available community services and facilities.

c. Identify, and where practicable, respond to any special needs of eligible Gautreaux families, i.e., employment, transportation, medical conditions, social service needs, etc.

d. After the eligible Gautreaux family has selected a suitable unit in a project whose owner is willing to participate in the Section 8 Housing Assistance Program, the eligible Gautreaux family will be referred to i) the appropriate PHA or the Fair Housing Center of Home Investments Fund and its successors if the unit qualifies under the Section 8 Existing Housing Program, or ii) the owner of the project if the unit qualifies under the Section 8 New Construction and/or Substantial Rehabilitation Programs, or the Section 8 Loan Management Set-Aside Program, or iii) the appropriate PHA if the unit qualifies under the Traditional Public Housing Program.

5. Assistance in Countering Illegal Discrimination Arising from the Performance of the Demonstration.

Tasks 5.a. and 5.b. are continuing tasks initiated during the previous contract.

a. Each complaint of illegal discrimination on the grounds of race, religion, national origin or sex arising from efforts to assist Gautreaux families will be reported to the appropriate official in the HUD Chicago Regional Office and/or referred to an appropriate community agency.

b. Each complaint and any action taken pursuant thereto shall be reported as part of the reporting requirements of Task 8.

6. Follow-up Counseling with Gautreaux Families who have begun Receiving Assistance under this Demonstration.

Tasks 6.a. through 6.d. are continuing tasks initiated on a limited basis

during the previous contract. These tasks will be reviewed and revised on the basis of that experience and continued with appropriate modification for the remainder of the Contract period.

- a. For a period of 90 days after a Gautreaux family has begun residency in their unit assisted under the Demonstration, the Contractor shall provide any additional counseling or assistance in order to assure a satisfactory readjustment to the new environment.
- b. Follow-up during the above described 90 day period may also consist of contact with owners and managers of units in which Gautreaux families assisted under the Demonstration are living in order to assist in resolving any problems that develop so long as resolution can be accomplished within the scope of the responsibility provided to the Contractor under this Contract.
- c. The counseling or assistance provided under this Task 6 may include referrals to public or private agencies involved with employment, education, health and social services.
- d. Any requests for counseling or assistance received from assisted Gautreaux families subsequent to the 90 day period described in Task 6.a. shall be referred to the appropriate PHA or the Fair Housing Center of Home Investments Fund and its successors for appropriate resolution.
- e. With the approval of the GTR, the Contractor may subcontract for the performance of Tasks 6.a. through 6.c.

7. Identification of Constraints Affecting the Operation of the Demonstration.

This task will be initiated upon execution of this Contract and continue for the remainder of the Contract period.

From experience in performing this Contract, describe and enumerate instances of constraints limiting the successful placement of Gautreaux families such as lack of adequate transportation, unavailability of large rental units, limitations on gross rent, requirements of the Section 8 Existing Housing Program concerning security deposits.

8. Establish Procedures for Reporting on the Demonstration.

This task is a continuing task initiated during the previous contract. The Contractor shall collect information and report monthly on the processes

employed and responses and data collected under the following tasks. The information shall be presented in a format designed by HUD, after consultation with the Contractor and approved by the GTR.

a. Participation by Gautreaux Family.

i. A narrative describing fully the invitation process, the forms and methods used, and any changes in these shall be submitted. This includes both initial and any follow-up written and telephone invitations to eligible households. Provide an explanation of the priority system for assisting eligible Gautreaux families.

ii. The number of invitations extended shall be classified by written and telephone as well as by initial and follow-up invitation to CHA tenant households and to waiting list households and the number of written invitations returned by the Post Office.

iii. For those households indicating a willingness to participate in the Demonstration, information shall be submitted on

(A). Numbers accepting the invitation to come in for group counseling;

(B). Numbers accepting the above but not showing up;

(C). Numbers screened out initially by Contractor;

(D). Numbers deferred by the Contractor.

The above information of this Task 8.a.iii. shall be classified by CHA tenant households by project, waiting list households, and from other sources (walk-ins, referrals) and by type of invitation (written or telephone, initial or follow-up). The above information shall also be classified for each category, (A). through (D)., by race, (if known), size of household, size of unit required, car ownership, preference for suburban/Chicago only location. For those who do not pass screening or who are deferred by the Contractor, any other major reasons for the action taken, e.g., housekeeping, family problems, poor credit practices, etc., shall be provided.

iv. For those continuing after the initial counseling and screening sessions ("active participants"), information shall be submitted on the numbers of households, by family characteristics,

added to the active status group and the numbers electing to drop out. Family characteristics shall include:

- (A). Race, age, sex, whether handicapped or disabled persons;
- (B). Employment status of head of household and sex;
- (C). If employed, jurisdiction of employment;
- (D). Total family income and income after allowances;
- (E). Source of income - employment, benefits, assistance (welfare), other, combination of above;
- (F). Family size (reported by 2, 3, 4, 5, 6, plus);
- (G). Number of children under 18 years of age.

v. A summary of family responses and counselors' assessments collected or noted by the staff of the Contractor under Tasks 3 and 4. These shall include reasons given for dropping out, for rejecting, preferring, or selecting particular units or locations; average number of visits to units and sites to date for those in active status; cumulative number of units offered to each family; number of visits for those placed. This shall also include number of referrals to PHAs or to legal aid/anti-discrimination agencies, employment, transportation, medical, or social service agencies, by reason for referral and type of agency to which referred, number of counseling sessions and follow-up counseling sessions.

vi. For those leasing units under this Contract, in addition to classification by family characteristics, information shall be provided on:

- (A). Address at the time of participation (including census tract) in the Demonstration and project name, if CHA, and new address and project name, if any, by census tract and jurisdiction and by whether the new unit was located by the Contractor or by a subcontractor, by name of subcontractor or of other means;
- (B). The type of units leased and under which program e.g., Section 8 Existing Housing, Section 8 New Construction and/or Substantial Rehabilitation, IHDA Section 8 units, Section 8 Loan Management Set-Aside Program and Traditional Public Housing;

(C). Former gross rent and, if known, whether federally or locally subsidized;

(D). Condition of former housing in the case of waiting list families;

(E). New gross rent and amount of housing assistance payment;

(F). Size of new units;

(G). Number of units in project; type of building, i.e., garden, elevator, row or walk-up.

vii. Constraints identified under Task 7 shall be reported as they affect participation by Gautreaux families.

b. Participation by Private Owners/Managers, Owners of HUD Insured Projects, by Owners of IHDA Projects and by PHAs.

i. A narrative report shall be submitted describing methodologies employed by the Contractor and by individual sub-contractors for locating suitable units, and any changes in these. The Contractor shall require and be responsible for reporting by sub-contractors. All reports of sub-contractors shall be furnished to HUD within 15 days of receipt by the Contractor or with the Contractor's next monthly report to HUD, whichever is earlier.

ii. Numbers of calls placed, number of repeat calls, number of personal visits to owners/managers (whether to individuals or groups of same), number of participating landlords located and additions and subtractions from these reported for the Contractor and for individual sub-contractors.

iii. Number and type of units by bedroom size located by the Contractor and individual sub-contractors by type of project and jurisdictional locations; additions, net additions and subtractions (through placement of Gautreaux families, other families, or withdrawal from the program) to and from the inventory of available units each month.

iv. Report on responsiveness and willingness to participate on part of owners and managers (by HUD program/private) PHAs; city, county and other groups, such as fair housing and/or civil rights groups, the nature and extent of cooperative and/or contractual working arrangements, etc., and the number of units owned or managed by one entity in which assisted families are living.

c. Information shall be collected and tabulated by the number of Gautreaux families assisted and the time spent by various staff members and sub-contractors and by category of activity. A methodology shall be developed to be approved by the GTR of time and estimated cost data for the following tasks covered by the Contract.

- i. Preparing invitational materials and issuing invitations by mail or telephone;
- ii. Recording responses;
- iii. Checking advertisements, writing to PHAs, calling owners/managers, etc., to work out arrangements and locate available suitable units;
- iv. Screening of households--interviewing, follow-up calls, credit checks, other references, etc.;
- v. Counseling;
- vi. Providing assistance in visiting sites;
- vii. Providing legal referrals;
- viii. Providing referrals to PHAs;
- ix. Providing other referrals;
- x. Making follow-up contacts and referrals;
- xi. Record keeping, tabulations, reporting;
- xii. Other (Specify)

d. Sequencing of Reports.

i. To the extent possible from existing files, a report shall be submitted by December 15, 1977, on all of the above for the entire period from inception of the Demonstration until the expiration of the previous contract.

ii. Beginning December 1, 1977, and thereafter monthly and cumulative (after the first month) reporting of totals for above items shall be submitted by the 15th day of the following month.

For Tasks 8.a.iv through 8.a.vi., the Contractor shall submit to HUD for analysis, copies of intake activity and Requests for Lease Approval for households for which any action has been taken during the month.

e. The GTR has the right to inspect record keeping arrangements and files at mutually convenient times.

f. The Contractor shall cooperate with HUD staff or with any contractor or contractors selected by HUD in studies of participation or non-participation by households, owners/managers, PHAs, etc., in studies of the barriers to placement, and in any other studies or evaluations of the Demonstration.

ATTACHMENT B

KEY PERSONNEL

		<u>Time on Project</u>
Henry Zuba	Project Director	100%
Kale Williams	Executive Director	16
Elfreda Bouyer	Office Manager	20
Ernestine Lockett	Reception	45
Leslie Farkas	Accountant	12

ATTACHMENT C

REPORTS OF WORK

MONTHLY TECHNICAL PROGRESS NARRATIVE

1. The Contractor shall submit a Monthly Technical Progress Narrative covering work accomplished during each calendar month of contract performance. Monthly Technical Progress Narratives shall be brief, factual and informal and shall be prepared in accordance with the following format:

a. A cover page containing:

- (1) Contract number and title;
- (2) Type of report, sequence number of report (when applicable), and period of performance being reported;
- (3) Contractor's name, address, and organizational segment generating the report;
- (4) Author(s);
- (5) Date of publication; and
- (6) "Prepared for the Department of Housing and Urban Development, Washington, D. C. 20410."

b. Section I - A description of overall progress plus pertinent data and graphs in sufficient detail to explain any significant results achieved.

c. Section II - Reporting of information required under Task 8 of the Work Statement (Attachment A of this Contract).

d. Section III - A description of current problems that may impede performance along with proposed corrective action, including an explicit explanation of any deviations or variations from approved plans reported under Section IV below.

e. Section IV - A description of the work to be performed during the next reporting period.

2. When the date of the contract is prior to the middle of the calendar month, the initial monthly reports shall cover that partial month. When the date of the contract is on or after the middle of the calendar month, initial monthly reports shall cover that partial month and the subsequent one calendar month. Within fifteen (15) calendar days after the end of each reporting period, the Contractor shall distribute F.O.B. destination, the number of copies of the Monthly Technical Progress Narrative in accordance with the instructions specified elsewhere in the contract, or as directed in writing by the Contracting Officer.

REPORT DISTRIBUTION

Periodical Reports (Monthly, Quarterly, etc.)

<u>Addressee</u>	<u>No. of Copies</u>
Contracting Officer	(1)
Government Technical Representative	(4)

Final Report

<u>Addressee</u>	<u>No. of Copies</u>
Contracting Officer	(1)
Government Technical Representative	(4) Including an error-free reproducible manuscript*

NOTE: Additional addresses may be added to receive copies of the reports. The number of copies to be furnished the Government Technical Representative (GTR) will then be reduced accordingly. Changes, if any, to the distribution list will be furnished by the Contracting Officer at a later date.

* See Article entitled, "REPRODUCTION OF REPORTS"

Advance Payment

(a) Amount of advance - At the request of the Contractor, and subject to the conditions hereinafter set forth, the Government shall make an advance payment, or advance payments from time to time, to the Contractor. No advance payment shall be made (1) without the approval of the office administering advance payments (hereinafter called the "Administering Office" and designated in paragraph (n) (4) hereof) as to the financial necessity therefor; (2) in an amount which together with all advance payments theretofore made, shall exceed the amount stated in paragraph (n) (1) hereof; and (3) without a properly certified invoice or invoices.

(b) Special bank account - Until all advance payments made hereunder, and interest charges, are liquidated and the Administering Office approves in writing the release of any funds due and payable to the Contractor, all advance payments and all other payments under the contract shall be made by check payable to the Contractor and be marked for deposit only in a Special Bank Account with the bank designated in paragraph (n) (2) hereof. No part of the funds in the Special Bank Account shall be mingled with other funds of the Contractor prior to withdrawal thereof from the Special Bank Account as hereinafter provided. Except as hereinafter provided, each withdrawal shall be made only by check of the Contractor countersigned on behalf of the Government by the Contracting Officer, or such other persons or persons as he may designate in writing (hereinafter called the "Countersigning Agent").

(c) Use of Funds - The funds in the Special Bank Account may be withdrawn by the Contractor solely for the purposes of making payments for items of allowable cost as defined in Article 7 of this contract, or to reimburse the Contractor for such items of allowable cost, and for such other purposes as the Administering Office may approve in writing. Any interpretation required as to the proper use of funds shall be made in writing by the Administering Office.

(d) Return of funds - The Contractor may at any time repay all or any part of the funds advanced hereunder. Whenever so requested in writing by the Administering Office, the Contractor shall repay to the Government such part of unliquidated balance of advance payments as shall in the opinion of the Administering Office be in excess of current requirements, or (when added to total advances previously made and liquidated) in excess of the amount specified in paragraph (n) (1) hereof. In the event the Contractor fails to repay such part of the unliquidated balance of advance payments when so requested by the Administering Office, all or any part thereof may be withdrawn from the Special Bank Account by checks payable to the Treasurer of the United States signed solely by the Countersigning Agent and applied in reduction of advance payments then outstanding hereunder.

(e) Liquidation - If not otherwise liquidated, the advance payments made hereunder and interest charges, if any, shall be liquidated as herein provided. When the sum of all payments under this contract, other than advance payments, plus the unliquidated amount of advance payments and interest charges are equal to the total estimated cost \$ 310,000 for the work under this contract (not including fixed fee, if any), or such lesser amount to which the total estimated cost under this contract may have been reduced, plus increases, if any, in this total estimated cost not exceeding, in the aggregate, \$ 40,000.

(including, without limitation, reimbursable cost incident to termination for the convenience of the Government as estimated by the Contracting Officer), the Government shall thereafter withhold further payments to the Contractor and apply the amounts withheld against the Contractor's obligation to repay such advance payments and interest charges, until such advance payments and interest charges shall have been fully liquidated. If upon completion of termination of the contract all advance payments and interest charges have not been fully liquidated, the balances thereof shall be deducted from any sums otherwise due or which may become due to the Contractor from the Government, and any deficiency shall be paid by the Contractor to the Government upon demand.

(f) Bank agreement - Before an advance payment is made hereunder, the Contractor shall transmit to the Administering Office, in the form prescribed by such office, an Agreement in triplicate from the bank in which the Special Bank Account is established, clearly setting forth the special character of the account and the responsibilities of the bank thereunder. Wherever possible, such bank shall be a member bank of the Federal Reserve System, or an "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, 49 STAT, 684, as amended; 12 U.S.C. 264).

(g) Lien on Special Bank Account - The Government shall have a lien upon any balance in the Special Bank Account paramount to all other liens, which lien shall secure the repayment of any advance payments made hereunder together with interest charges thereon.

(h) Lien on property under contract - Any and all advance payments made under this contract, together with interest charges thereon, shall be secured when made, by a lien in favor of the Government, paramount to all other liens, upon the supplies or other things covered by this contract and on all material and other property acquired for or allocated to the performance of this contract, except to the extent that the Government by virtue of any other provisions of this contract, or otherwise, shall have valid title to such supplies, materials or other property as against other creditors of the Contractor. The Contractor shall identify, by marking or segregation, all property which is subject to a lien in favor of the Government by virtue of any provision of this contract in such a way as to indicate that it is subject to such lien and that it has been acquired for or allocated to the performance of this contract. If for any reason such supplies, materials, or other property are not identified by marking or segregation, the Government shall be deemed to have a lien to the extent of the Government's interest under this contract on any mass of property with which such supplies, materials, or other property are commingled. The Contractor shall maintain adequate accounting control over such property on his books and records. If at any time during the progress of the work on the contract it becomes necessary to deliver any item or items and materials upon which the Government has a lien as aforesaid to a third person, the Contractor shall notify such third person of the lien herein provided and shall obtain from such third person a receipt, in duplicate, acknowledging, inter alia, the existence of such lien. A copy of each receipt shall be delivered by the Contractor to the Contracting Officer. If this contract is terminated in whole or in part and the Contractor

3.
is authorized to sell or retain termination inventory required for or allocated to this contract, such sale or retention shall be made only if approved by the Contracting Officer, which approval shall constitute a release of the Government's lien hereunder to the extent that such termination inventory is sold or retained, and to the extent that the proceeds of the sale, or the credit allowed for such retention on the Contractor's termination claim, is applied in reduction of advance payments then outstanding hereunder.

(i) Insurance - The Contractor represents and warrants that he is now maintaining with responsible insurance carriers, (1) insurance upon his own plant and equipment against fire and other hazards to the extent that like properties are usually insured by others operating plants and properties of similar character in the same general locality; (2) adequate insurance against liability on account of damage to persons or property; and (3) adequate insurance under all applicable workmen's compensation laws. The Contractor agrees that, until work under this contract has been completed and all advance payments made hereunder have been liquidated, he will (i) maintain such insurance; (ii) maintain adequate insurance upon any materials, parts, assemblies, subassemblies, supplies, equipment and other property acquired for or allocable to this contract and subject to the Government lien hereunder; and (iii) furnish such certificates with respect to his insurance as the Administering Office may from time to time require.

(j) Default provisions - Upon the happening of any of the following events of default, (1) termination of this contract by reason of fault of the Contractor; (2) a finding by the Administering Office that the Contractor (i) has failed to observe any of the covenants, conditions, or warranties of these provisions or has failed to comply with any material provision of this contract, or (ii) has so failed to make progress, or is in such unsatisfactory financial condition, as to endanger performance of the contract, or (iii) has allocated inventory to this contract substantially exceeding reasonable requirements, or (iv) is delinquent in payment of taxes or of the costs of performance of this contract in the ordinary course of business, (3) appointment of a trustee, receiver or liquidator for all or a substantial part of the Contractor's property, or institution of bankruptcy, reorganization, arrangement or liquidation proceedings by or against the Contractor; (4) service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the Special Bank Account; or (5) the commission of an act of bankruptcy; the Government, without limiting any rights which it may otherwise have, may, in its discretion and upon written notice to the Contractor, withhold further withdrawals from the Special Bank Account and withhold further payments on this contract. Upon the continuance of any such events of default for a period of thirty (30) days after such written notice to the Contractor, the Government may, in its discretion, and without limiting any other rights which the Government may have, take the following additional actions as it may deem appropriate in the circumstances: (1) Withdraw all or any part of the balance in the Special Bank Account by checks payable to the Treasurer of the United States signed solely by the Countersigning Agency and apply such amounts in reduction of advance payments then outstanding hereunder and in reduction of any other claims of the Government against the Contractor; (2) charge interest on Advance Payments outstanding during the period of any such default at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat 97 for the Renegotiation Board;

(3) Demand immediate

repayment of the unliquidated balance of advance payments hereunder; or

(4) Take possession of and, with or without advertisement, sell at public sale at which the Government may be the purchaser, or at a private sale, all or any part of the property on which the Government has a lien under this contract and, after deducting any expenses incident to such sale, apply the net proceeds of such sale in reduction of the unliquidated balance of advance payments hereunder and in reduction of any other claims of the Government against the Contractor.

(K) Prohibition against assignment - Notwithstanding any other provision of this contract, the Contractor shall not transfer, pledge, or otherwise assign this contract, or any interest therein, or any claim arising thereunder, to any party or parties, bank, trust company, or other financing institution.

(1) Information - access to records - The Contractor shall furnish to the Administering Office signed or certified balance sheets and profit and loss statements monthly, or at such other intervals as may be required, together with a monthly report on the operation of the Special Bank Account in prescribed form and such other information concerning the operation of the Contractor's business as may be requested. The Contractor shall afford to authorized representatives of the Government proper facilities for inspection of the Contractor's books, records, and accounts.

(m) Designations and Determinations

(1) Amount - The amount of advance payments at any time outstanding hereunder shall not exceed \$-40,000.

(2) Depository - The bank designated for the deposit of payments made hereunder shall be South Shore National Bank, Chicago, Illinois.

(3) Interest Charge - No interest shall be charged for advance payments made hereunder, except interest during a period of default as provided for in paragraph (j). The Contractor shall charge interest at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97 for the Renegotiation Board on subadvances or downpayments to subcontractors, and such interest will be credited to the account of the Government. However, interest need not be charged on subadvances on nonprofit subcontracts with nonprofit educational or research institutions for experimental research, or development work.

(4) Administering Office - The office administering advance payments is designated as The Department of Housing and Urban Development, Chicago Regional Office, Chicago, Illinois 60606.

(n) Other security - If at any time the Administering Office deems the security furnished by the Contractor to be

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inadequate, the Contractor shall furnish such additional security as may be satisfactory to the Administering Office, to the extent that such additional security is available.

(o) Representations and Warranties - To induce the making of the advance payments, the Contractor represents and warrants that:

(1) The balance sheet, the profit and loss statement and any other supporting financial statements, heretofore furnished to the Administering Office, fairly reflect the financial condition of the Contractor at the date shown on said balance sheet and the results of the operation for the period covered by the profit and loss statement, and since said date there has been no materially adverse change in the financial condition of the Contractor.

(2) No litigation or proceedings are presently pending or threatened against the Contractor, except as shown in the above statements.

(3) The Contractor, apart from liability resulting from the renegotiation of defense production contracts, has no contingent liabilities not provided for or disclosed in the financial statements furnished to the Administering Office.

(4) None of the provisions herein contravenes or is in conflict with the authority under which the Contractor is doing business or with the provision of any existing indenture or agreement of the Contractor.

(5) The Contractor has the power to enter into this contract and accept advance payments hereunder, and has taken all necessary action to authorize such acceptance under the terms and conditions of this contract.

(6) None of the assets of the Contractor is subject to any lien or encumbrance of any character except for current taxes not delinquent, and except as shown in the financial statements furnished by the Contractor to the Administering Office. There has been no assignment of claims under any contract affected by these advance payment provisions, or if there has been any assignment, such assignments have been terminated.

(7) All information furnished by the Contractor to the Administering Office in connection with each request for advance payments is true and correct.

(8) These representations and warranties shall be continuing and shall be deemed to have been repeated by the submission of each invoice for advance payments.

(p) Covenants - During the period of time that advance payments may be made hereunder and so long as any such advance payments remain unliquidated, the Contractor shall not, without the prior written consent of the Administering Office:

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(1) Mortgage, pledge or otherwise encumber, or suffer to be encumbered, any of the assets of the Contractor now owned or hereafter acquired by it, or permit any preexisting mortgages, liens or other encumbrances to remain on or attach to any assets of the Contractor which are allocated to the performance of this contract and with respect to which the Government has a lien hereunder.

(2) Sell, assign, transfer, or otherwise dispose of accounts receivable, notes or claims for money due or to become due;

(3) Declare or pay any dividends, except dividends payable in stock of the corporation, or make any other distribution on account of any shares of its capital stock, or purchase, redeem, or otherwise acquire for value any such stock, except as required by sinking fund or redemption arrangements reported to the Administering Office incident to the establishment of these advance payment provision;

(4) Sell, convey, or lease all or a substantial part of its assets;

(5) Acquire for value the stock or other securities of any corporation, municipality, or governmental authority, except direct obligations of the United States;

(6) Permit a writ of attachment or any similar process to be issued against its property without procuring release thereof or bonding the same within 30 days after the entry of the writ of attachment or any similar process;

(7) Pay any salaries, commissions, bonuses, or other remuneration in any form or manner to its directors, officers, or key employees in excess of existing rates of payments or of rates providing in existing agreements, in connection with which notice has been given to the Administering Office, or accrue such excess remuneration without first obtaining an agreement subordinating the same to all claims of the Government hereunder, or employ any person at a rate of compensation in excess of \$ 22,150 per annum.

(8) Make any substantial change in management ownership, or control of the organization;

(9) Merge or consolidate with any other firm or organization, change the type of its business or engage in any transaction outside the ordinary course of its business as presently conducted;

(10) Deposit any of its funds except in a bank or trust company insured by the Federal Deposit Insurance Corporation;

(11) Create or incur indebtedness for borrowed money or advance other than advances to be made hereunder, except as specified herein.

(12) Make any payments on account of the obligations listed below, except in the manner and to the extent herein provided.

(13) Make any advance or loan to or incur any liability as guarantor, surety, or accommodation endorser for any other firm, person, or corporation, except as necessary to initiate work on the project; and,

(14) Make or covenant itself to make capital expenditures exceeding in the aggregate \$40,000 — except as otherwise authorized.

(15) Permit its net current assets, calculated in accordance with generally accepted accounting principles, to become less than \$40,000.

CLEAN AIR AND WATER CLAUSE

(Applicable only if the contract exceeds \$100,000, or the Contracting Officer has determined that the orders under an indefinite quantity contract in any one year will exceed \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c) (1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by EPA, or the contract is not otherwise exempt.)

(a) The Contractor agrees as follows:

- (i) To comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, Et Seq., as amended by Public Law 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251, as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.
- (ii) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency list of violating facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.
- (iii) To use his best efforts to comply with Clean Air Standards and Clean Water Standards at the facilities in which the contract is being performed.
- (iv) To insert the substance of the provisions of this Clause in any nonexempt subcontract, including this paragraph (iv).

(b) The terms used in this Clause have the following meanings:

- (i) The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 ET SEQ., as amended by Public Law 91-604).

- (ii) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 ET SEQ., as amended by Public Law 92-500).
- (iii) The term "Clean Air Standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in Section 110 (d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under Section 111(c) or Section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under Section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).
- (iv) The term "Clean Water Standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a state under an approved program, as authorized by Section 402 of the Water Act (33 U.S.C. 1342), or by a local Government to ensure compliance with pretreatment regulations as required by Section 307 of the Water Act (33 U.S.C. 1317).
- (v) The term "Compliance" means compliance with Clean Air or Water Standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an Air or Water Pollution Control Agency in accordance with the requirement of the Air Act or Water Act and regulations issued pursuant thereto.
- (vi) The term "Facility" means any building, plant, installation, structure, mine, vessel, or other floating craft, location, or site or operations, owned, leased, or

supervised by a contractor, subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are colocated in one geographical area.

EMPLOYMENT OF THE HANDICAPPED

(a) The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training including apprenticeship.

(b) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

(c) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

(d) The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

(e) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of section 503 of the Act and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(f) The contractor will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor.. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs, may direct to enforce such provisions, including action for noncompliance.

May 17, 1976

GENERAL PROVISIONS

Cost-Reimbursement Contracts

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22. Utilization of Labor Surplus Area Concerns
23. Payment for Overtime and Shift Premiums
24. Notice to the Government of Labor Disputes
25. Competition in Subcontracting
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28. Notice to the Government Regarding Late Delivery
29. Publication
30. Patents
31. Certification of Nonsegregated Facilities
32. Audit and Records
33. Negotiated Overhead Rates
34. Interest

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

(a) The term "Secretary" means the Secretary or Under Secretary of the Department of Housing and Urban Development; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(b) The term "Contracting Officer" means the person executing the contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

(d) The term "HUD" means the Department of Housing and Urban Development.

2. CHANGES

The Contracting Officer may at any time, by a written order and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipment or packing; (iii) place of inspection, delivery or acceptance. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of this contract, or otherwise affects any other provision of this contract, whether changed or not changed by any such order, an equitable adjustment shall be made (i) in the estimated cost or delivery schedule, or both, (ii) in the amount of any fee to be paid to the Contractor, and (iii) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final

payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. LIMITATION OF COST

(a) It is estimated that the total cost to the Government, exclusive of any fixed fee, for the performance of this contract will not exceed the estimated cost set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost. If at any time the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the estimated cost then set forth in the Schedule, or if at any time the Contractor has reason to believe that the total cost to the Government, exclusive of any fixed fee, for the performance of this contract will be greater or substantially less than the then estimated cost thereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving the revised estimate of such total cost for the performance of this contract.

(b) The Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the estimated cost set forth in the Schedule, and the Contractor shall not be obligated to continue performance under the contract or to incur costs in excess of the estimated cost set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that such estimated cost has been increased and shall have specified in such notice a revised estimated cost which shall thereupon constitute the estimated cost of performance of this contract. When and to the extent that the estimated cost set forth in the Schedule has been increased, any costs incurred by the Contractor in excess of such estimated cost prior to the increase in estimated cost shall be allowable to the same extent as if such costs had been incurred after such increase in estimated cost.

4. ALLOWABLE COST, FIXED FEE, AND PAYMENT

(a) For the performance of this contract, the Government shall pay to the Contractor:

(i) the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with --

(A) Subpart 1-15.2 (41 CFR 1-15.2) of the Federal Procurement Regulations as in effect on the date of this contract; and

(B) the terms of this contract; and

(ii) such fixed fee, if any, as may be provided for in the Schedule.

(b) Once each month (or at more frequent intervals, if approved by the Contracting Officer), the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost.

(c) Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of (d) below, make payment thereon as approved by the Contracting Officer. Payment of the fixed fee, if any, shall be made to the Contractor as specified in the Schedule; Provided, However, that after payment of eighty-five percent (85%) of the fixed fee set forth in the Schedule, further payment on account of the fixed fee shall be withheld until a reserve of either fifteen percent (15%) of the total fixed fee, or one hundred thousand dollars (\$100,000), whichever is less, shall have been set aside.

(d) At any time or times prior to final payment under this contract the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

(e) On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of (f) below), the Government shall promptly pay to the Contractor any balance of allowable cost, and any part of the fixed fee, which has been withheld pursuant to (c) above or otherwise not paid to the Contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

(f) The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this contract shall be paid by the Contractor to the Government, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Contracting Officer. Prior to final payment under this contract, the Contractor and each assignee under this contract whose assignment is in effect at the time of final payment under this contract shall execute and deliver:

(i) an assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) a release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions --

(A) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;

(B) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; Provided, that such claims are not known to the Contractor on the date of the execution of the release; and Provided further, that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

(C) claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

(E) Any cost incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or materials to be furnished by the Contractor at his expense or without cost to the Government.

5. INSPECTION

The Government, through any authorized representatives, has the right, at all reasonable times, to inspect, or otherwise evaluate the work performed or being performed hereunder and the premises in which it is being performed. If any inspection or evaluation is made by the Government on the premises of the Contractor or a subcontractor, the Contractor shall provide and shall require subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

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6. ASSIGNMENT OF CLAIMS

(a) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this contract provides for payments aggregating \$1,000 or more, claims for moneys due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and re-assigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Unless otherwise provided in this contract, payments to an assignee of any moneys due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or setoff. (The preceding sentence applies only if this contract is made in time of war or national emergency as defined in said Act and is with the Department of Defense, the General Services Administration, the Atomic Energy Commission, the National Aeronautics and Space Administration, the Federal Aviation Agency, or any other department or agency of the United States designated by the President pursuant to Clause 4 of the proviso of section 1 of the Assignment of Claims Act of 1940, as amended by the Act of May 15, 1951, 65 Stat. 41.)

(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same. However, a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

7. EXAMINATION OF RECORDS BY COMPTROLLER GENERAL

(a) This clause is applicable if the amount of this contract exceeds \$2,500 and was entered into by means of negotiation, including small business restricted advertising, but is not applicable if this contract was entered into by means of formal advertising.

(b) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this contract or such lesser time specified in either appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(c) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract or such lesser time specified in either appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (1) purchase orders not exceeding \$2,500 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(d) The periods of access and examination described in (b) and (c), above, for records which relate to (1) appeals under the "Disputes" clause of this contract, (2) litigation or the settlement of claims arising out of the performance of this contract, or (3) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigations, claims, or exceptions have been disposed of.

8. SUBCONTRACTS

(a) The Contractor shall give advance notification to the Contracting Officer of any proposed subcontract hereunder which (i) is on a cost, cost-plus-a-fee, time and material, or labor-hour basis, or (ii) is on a fixed-price basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total estimated cost of this contract.

(b) In the case of a proposed subcontract which (i) is on a cost, cost-plus-a-fee, time and material, or labor-hour basis and which would involve an estimated amount in excess of \$10,000, including any fee; or (ii) is proposed to exceed \$100,000; or (iii) is one of a number of subcontracts under this contract with a single subcontractor for the same or related supplies or services which, in the aggregate, are expected to exceed \$100,000; the advance notification required by (a) above shall include:

(i) a description of the supplies or services to be called for by the subcontract;

(ii) identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the degree of competition obtained;

(iii) the proposed subcontract price, together with the Contractor's cost or price analysis thereof;

(iv) the subcontractor's current, complete, and accurate cost or pricing data and Certificate of

Current Cost or Pricing Data when such data and certificate are required, by other provisions of this contract, to be obtained from the subcontractor; and

(v) identification of the type of subcontract proposed to be used.

(c) The Contractor shall not, without the prior written consent of the Contracting Officer, place any subcontract which (i) is on a cost or cost-plus-a-fee basis, or (ii) is on a fixed-price basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total estimated cost of this contract, or (iii) provides for the fabrication, purchase, rental, installation, or other acquisition of any item of industrial facilities, or of special tooling having a value in excess of \$1,000, or (iv) is on a time and material or labor-hour basis, or (v) has experimental, developmental, or research work as one of its purposes. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer as required by this paragraph (c).

(d) The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(e) The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not be construed to constitute a determination of the allowability of any cost under this contract, unless such approval specifically provides that it constitutes a determination of the allowability of such cost.

(f) The Contractor shall give the Contracting Officer immediate notice in writing of any action or suit filed, and prompt notice of any claim made against the Contractor by any subcontractor or vendor which, in the opinion of the Contractor, may result in litigation, related in any way to this contract with respect to which the Contractor may be entitled to reimbursement from the Government.

(g) Notwithstanding (c) above, the Contractor may enter into subcontracts within (ii) or, if the subcontract is for special tooling, within (iii), of (c) above, without the prior written consent of the Contracting Officer if the Contracting Officer has, in writing, approved the Contractor's purchasing system and the subcontract is within the limitations of such approval.

9. UTILIZATION OF SMALL BUSINESS CONCERNS

(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(b) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

10. TERMINATION FOR DEFAULT OR FOR CONVENIENCE OF THE GOVERNMENT

(a) The performance of work under the contract may be terminated by the Government in accordance with this clause in whole, or from time to time in part:

(1) Whenever the Contractor shall default in performance of this contract in accordance with its terms (including in the term "default" any such failure by the Contractor to make progress in the prosecution of the work hereunder as endangers such performance), and shall fail to cure such default within a period of ten days (or such longer period as the Contracting Officer may allow) after receipt from the Contracting Officer of a notice specifying the default; or

(2) Whenever for any reason the Contracting Officer shall determine that such termination is in the best interest of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying whether termination is for the default of the Contractor or for the convenience of the Government, the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective. If, after notice of termination of this contract for default under (1) above, it is determined for any reason that the Contractor was not in default pursuant to (1), or that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Contractor pursuant to the provisions of the clause of this contract relating to excusable delays, the Notice of Termination shall be deemed to have been issued under (2) above, and the rights and obligations of the parties hereto shall in such event be governed accordingly.

(b) After receipt of a Notice of Termination and except as otherwise directed by the Contracting Officer, the Contractor shall:

(1) Stop work under the contract on the date and to the extent specified in the Notice of Termination;

(2) Place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;

(3) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;

(4) Assign to the Government, in the manner and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders or subcontracts so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

(5) With the approval or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this contract;

(6) Transfer title to the Government (to the extent that title has not already been transferred) and deliver in the manner, at the times, and to the extent directed by the Contracting Officer, (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in respect of the performance of, the work terminated by the Notice of Termination; (ii) the completed or partially completed plans, drawings, information, and other property which, if the contract had been completed, would be required to be furnished to the Government; and (iii) the jigs, dies, and fixtures, and other special tools and tooling acquired or manufactured for the performance of this contract for the cost of which the Contractor has been or will be reimbursed under this contract;

(7) Use his best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in (6) above: Provided, however, That the Contractor (i) shall not be required to extend credit to any purchaser, and (ii) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer: And provided further, That the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct;

(8) Complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and

(9) Take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Government has or may acquire an interest.

The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of the fee, or any item of reimbursable cost, under this clause. At any time after expiration of the plant clearance period, as defined in Subpart 1-8.1 of the Federal Procurement Regulations (41 CFR 1-8.1), as the definition may be amended from time to time, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed

of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the Government will accept such items and remove them or enter into a storage agreement covering the same: Provided, That the list submitted shall be subject to verification by the Contracting Officer upon removal of the items or, if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(c) After receipt of a Notice of Termination, the Contractor shall submit to the Contracting Officer his termination claim in the form and with the certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than one year from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer upon request of the Contractor made in writing within such one-year period or authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such one-year period or any extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Contracting Officer may, subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

(d) Subject to the provisions of paragraph (c), and subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid (including an allowance for the fee) to the Contractor by reason of the total or partial termination of work pursuant to this clause. The contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

(e) In the event of the failure of the Contractor and the Contracting Officer to agree in whole or in part, as provided in paragraph (d), as to the amounts with respect to costs and fee, or as to the amount of the fee, to be paid to the Contractor in connection with the termination of work pursuant to this clause, the Contracting Officer shall, subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall pay to the Contractor the amount determined as follows:

(1) If the settlement includes cost and fee --

(i) There shall be included therein all costs and expenses reimbursable in accordance with this contract, not previously paid to the Contractor for the performance of this contract prior to the effective date of the Notice of Termination, and such of these costs as may continue for a reasonable time thereafter with the approval of or as directed by the Contracting Officer: Provided, however, That the Contractor shall proceed as rapidly as practicable to discontinue such costs;

(ii) There shall be included therein so far as not included under (i) above, the cost of settling and paying claims arising out of the termination of work under subcontracts or orders, as provided in paragraph (b)(5) above, which are properly chargeable to the terminated portion of the contract;

(iii) There shall be included therein reasonable costs of settlement, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract and for the termination and settlement of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of termination inventory: Provided, however, That if the termination is for default of the Contractor there shall not be included any amounts for the preparation of the Contractor's settlement proposal; and

(iv) There shall be included therein a portion of the fee payable under the contract determined as follows--

(A) In the event of the termination of this contract for the convenience of the Government and not for the default of the Contractor, there shall be paid a percentage of the fee equivalent to the percentage of the completion of work contemplated by the contract, less fee payments previously made hereunder; or

(B) In the event of the termination of this contract for the default of the Contractor, the total fee payable shall be such proportionate part of the fee (or, if this contract calls for articles of different types, of such part of the fee as is reasonably allocable to the type of article under consideration) as the total number of articles delivered to and accepted by the Government bears to the total number of articles of a like kind called for by this contract.

If the amount determined under this subparagraph (1) is less than the total payment theretofore made to the Contractor, the Contractor shall repay to the Government the excess amount.

(2) If the settlement includes only the fee, the amount thereof will be determined in accordance with subparagraph (1)(iv) above.

(f) The Contractor shall have the right of appeal, under the clause of this contract entitled "Disputes," from any determination made by the Contracting Officer under paragraph (c) or (e)

above, except that, if the Contractor has failed to submit his claim within the time provided in paragraph (c) above and has failed to request extension of such time, he shall have no such right of appeal. In any case where the Contracting Officer has made a determination of the amount due under paragraph (c) or (e) above, the Government shall pay to the Contractor the following: (1) if there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Contracting Officer, or (2) if an appeal has been taken, the amount finally determined on such appeal.

(g) In arriving at the amount due the Contractor under this clause there shall be deducted (1) all unliquidated advance or other payments theretofore made to the Contractor, applicable to the terminated portion of this contract, (2) any claim which the Government may have against the Contractor in connection with this contract, and (3) the agreed price for, or proceeds of sale of, any materials, supplies, or other things acquired by the Contractor or sold pursuant to the provisions of this clause and not otherwise recovered by or credited to the Government.

(h) In the event of a partial termination, the portion of the fee which is payable with respect to the work under the continued portion of the contract shall be equitably adjusted by agreement between the Contractor and the Contracting Officer, and such adjustment shall be evidenced by an amendment to this contract.

(i) The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of the contract whenever in the opinion of the Contracting Officer the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand, together with interest computed at the rate of 6 percent per annum, for the period from the date such excess payment is received by the Contractor to the date on which such excess is repaid to the Government: Provided, however, That no interest shall be charged with respect to any such excess payment attributable to a reduction in the Contractor's claim by reason of retention or other disposition of termination inventory until ten days after the date of such retention or disposition, or such later date as determined by the Contracting Officer by reason of the circumstances.

(j) The provisions of this clause relating to the fee shall be inapplicable if this contract does not provide for payment of a fee.

11. STANDARDS OF WORK

The Contractor agrees that the performance of work and services pursuant to the requirements of this contract shall conform to high professional standards.

12. EXCUSABLE DELAYS

Except with respect to defaults of subcontractors, the Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the failure of a subcontractor to perform or make progress, and if such failure arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be deemed to be in default, unless (a) the supplies or services to be furnished by the subcontractor were obtainable from other sources, (b) the Contracting Officer shall have ordered the Contractor in writing to procure such supplies or services from such other sources, and (c) the Contractor shall have failed to comply reasonably with such order. Upon request of the Contractor, the Contracting Officer shall ascertain the facts and extent of such failure and, if he shall determine that any failure to perform was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Government under the clause hereof entitled Termination for Default or for Convenience of the Government. (As used in this clause, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.)

13. DISPUTES

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

14. CONVICT LABOR

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

15. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT -- OVERTIME COMPENSATION

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

(a) Overtime Requirements. No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph (a) in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by paragraph (a).

(c) Withholding for Unpaid Wages and Liquidated Damages. The Contracting Officer may withhold from the Government Prime Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).

(d) Subcontracts. The Contractor shall insert paragraphs (a) through (d) of this clause in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

(e) Records. The Contractor shall maintain payroll records containing the information specified in 29 CFR 516.2(a). Such records shall be preserved for three years from the completion of the contract.

16. WALSH-HEALEY PUBLIC CONTRACTS ACT

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed \$10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. 35-45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

17. EQUAL OPPORTUNITY

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's non-compliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

18. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

19. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the con-

tract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

20. GOVERNMENT PROPERTY

(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described as Government-furnished property in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor and shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contractual provisions affected by any such delay, in accordance with the procedures provided for in the clause of this contract entitled "Changes." In the event that Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt thereof notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property or (ii) effect repairs or modifications. Upon completion of (i) or (ii) above, the Contracting Officer upon written request of the Contractor shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contractual provision affected by the return or disposition, or the repair or modification in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b) Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under the contract, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this

contract, or (iii) reimbursement of the cost thereof by the Government in whole or in part, whichever first occurs. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government property". Title to the Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty.

(c) The Contractor shall be directly responsible for and accountable for all Government property provided under this contract. The Contractor shall establish and maintain a system to control, protect, preserve and maintain all Government property. This system shall, upon request by the Contracting Officer, be submitted for review and, if satisfactory, approved in writing by the Contracting Officer. The Contractor shall maintain and make available such records as are required by the approved system and must account for all Government property until relieved of responsibility therefor in accordance with the written instructions of the Contracting Officer.

(d) The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(e) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of Government property.

(f) (1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) which results from willful misconduct or lack of good faith on the part of any one of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of --

(A) all or substantially all of the Contractor's business; or

(B) all or substantially all of the Contractor's operations at any one plant or separate location, in which this contract is being performed; or

(C) a separate and complete major industrial operation in connection with the performance of this contract;

(ii) which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in subparagraph (i) above --

(A) to maintain and administer, in accordance with sound industrial practice, the program for maintenance, repair, protection and preservation of Government property as required by paragraph (e) hereof, or

(B) to take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under paragraph (e) hereof;

(iii) for which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the Schedule;

(iv) which results from a risk expressly required to be insured under this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

provided that, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception. If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of or damage to the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of or damage to the property while in the latter's possession or control, except to the extent that the subcontract, with the prior approval of the Contracting Officer, provides for the relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

(2) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provisions of this contract.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer

thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of --

(i) the lost, destroyed and damaged Government property;

(ii) the time and origin of the loss, destruction or damage;

(iii) all known interests in commingled property of which the Government property is a part; and

(iv) the insurance, in any, covering any part of or interest in such commingled property.

The Contractor shall make repairs and renovations of the damaged Government property or take such other actions, as the Contracting Officer directs.

(4) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, he shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage and, upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where the subcontractor has not been relieved from liability for any loss or destruction of or damage to Government property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction of or damage to the Government property for the benefit of the Government.

(g) The Government, and any persons designated by it, shall at all reasonable times have access to the premises where any of the Government property is located, for the purpose of inspecting the Government property.

(h) Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit to the Contracting Officer in a form acceptable to him, inventory schedules covering all items of the Government property not consumed in the performance of this contract, or not theretofore delivered to the Government, and shall deliver or make such other disposal of such Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the cost of the work covered by the contract or shall be paid in such manner as the Contracting Officer may direct.

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(i) Unless otherwise provided herein, the Government has no obligation to the Contractor with regard to restoration or rehabilitation of the Contractor's premises affected by the abandonment or removal of any Government property.

(j) All communications issued pursuant to this clause shall be in writing.

21. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT

(The following clause is applicable if the amount of this contract exceeds \$10,000.)

(a) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.

(b) In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in possession of the Contractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Contractor has agreed to indemnify the Government.

22. UTILIZATION OF LABOR SURPLUS AREA CONCERNS

(The following clause is applicable if the amount of this contract exceeds \$5,000.)

(a) It is the policy of the Government to award contracts to labor surplus area concerns that (1) have been certified by the Secretary of Labor (hereafter referred to as certified-eligible concerns with first or second preferences) regarding the employment of a proportionate number of disadvantaged individuals and have agreed to perform substantially (i) in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas of (ii) in other areas of the United States, respectively, or (2) are noncertified concerns which have agreed to perform substantially in persistent or substantial labor surplus areas, where this can be done consistent with the efficient performance of the contract and at prices no higher than are obtainable elsewhere. The Contractor agrees to use his best efforts to place his subcontracts in accordance with this policy.

(b) In complying with paragraph (a) of this clause and with paragraph (b) of the clause of this contract entitled "Utilization of Small Business Concerns" the Contractor in placing his subcontracts shall observe the following order of preference: (1) Certified-eligible concerns with a first preference which are also small business concerns; (2) other certified-eligible concerns with a first preference; (3) certified-eligible concerns with a second preference which are also small business concerns; (4) other certified-eligible concerns with a second preference; (5) persistent or substantial labor surplus area concerns which are also small business concerns; -- (6) other persistent or substantial labor surplus area concerns; and (7) small business concerns which are not labor surplus area concerns.

23. PAYMENT FOR OVERTIME AND SHIFT PREMIUMS

(a) Allowable cost shall not include any amount on account of overtime premiums or shift premiums, except to the extent that they either (i) are approved in writing on behalf of the Government; or (ii) are paid for work --

(A) necessary to cope with emergencies, such as those resulting from accidents, natural disasters, or breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(B) by indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(C) in the performance of tests, industrial processes, laboratory procedures, loading or unloading of transportation media, and operations in flight or afloat which are continuous in nature and cannot reasonably be interrupted or otherwise completed; or

(D) which will result in lower overall cost to the Government.

(b) The cost of overtime premiums or shift premiums otherwise allowable under (a) above shall be allowed only to the extent the amount thereof is reasonable and properly allocable to the work under this contract.

24. NOTICE TO THE GOVERNMENT OF LABOR DISPUTES

(a) Whenever the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor shall immediately give notice thereof, including all relevant information with respect thereto, to the Contracting Officer.

(b) The Contractor agrees to insert the substance of this clause, including this paragraph (b), in any subcontract hereunder as to which a labor dispute may delay the timely performance of this contract; except that each such subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify his next higher tier subcontractor, or the prime contractor, as the case may be, of all relevant information with respect to such dispute.

25. COMPETITION IN SUBCONTRACTING

(The following clause is applicable if the amount of this contract exceeds \$10,000.)

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practicable extent consistent with the objectives and requirements of the contract.

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26. BUY AMERICAN ACT SUPPLY AND SERVICE CONTRACTS

(a) In acquiring end products, the Buy American Act (41 U.S.C. 101a-d) provides that the Government give preference to domestic source end products. For the purpose of this clause:

(i) "components" means those articles, materials, and supplies which are directly incorporated in the end products;

(ii) "end products" means those articles, materials, and supplies which are to be acquired under this contract for public use; and

(iii) a "domestic source end product" means (A) an unmanufactured end product which has been mined or produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. For the purposes of this (a)(iii)(B), components of foreign origin of the same type or kind as the products referred to in (b)(ii) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(b) The Contractor agrees that there will be delivered under this contract only domestic source end products, except end products:

(i) which are for use outside the United States;

(ii) which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) as to which the Secretary determines the domestic preference to be inconsistent with the public interest; or

(iv) as to which the Secretary determines the cost to the Government to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No. 10582, dated December 17, 1954.)

27. KEY PERSONNEL

The personnel specified in an attachment to this contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the Contractor without the written consent of the Contracting Officer. Provided, That the Contracting Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracting Officer required by this clause. The attachment to this contract may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

28. NOTICE TO THE GOVERNMENT REGARDING LATE DELIVERY

In the event the Contractor encounters difficulty in meeting performance requirements, or anticipates difficulty in complying with the contract delivery schedule or date, the Contractor shall immediately notify the Contracting Officer thereof in writing, giving pertinent details, including the date by which it expects to complete performance or make delivery; Provided, however, that this date shall be informational only in character and that receipt thereof shall not be construed as a waiver by the Government of any contract delivery schedule or date, or any rights or remedies provided by law or under this contract.

29. PUBLICATION

(a) Definition. For the purpose of this clause, "publication" includes (1) any document containing information intended for public consumption or (2) the act of, or any act which may result in, disclosing information to the public.

(b) General. The results of the research and development and studies conducted under this contract are to be made available to the public through dedication, assignment to the Government, or such other means as the Secretary of Housing and Urban Development shall determine, as required under title III of the Housing Act of 1948, as amended (12 U.S.C. 1701e).

(c) Reports Furnished the Government. All intermediate and final reports of the research and development and studies conducted hereunder shall indicate on the cover or other initial page that the research and development and studies forming the basis for the report were conducted pursuant to a contract with the Department of Housing and Urban Development. Such reports are official Government property and may not be published or reproduced (in toto, in verbatim excerpt, or in form approximating either of these) as an unofficial paper or article. The Contractor or Technical Personnel (each employee or consultant working under the administrative direction of the Contractor or any subcontractor hereunder) may publish such reports in whole or in part in a non-Government publication only in accordance with this paragraph (c) and paragraph (e)(1) of this clause.

(d) Publication by Government. The Government shall have full right to publish all information, data, and findings developed as a result of the research and development and studies conducted hereunder.

(This clause continued in next column.)

(e) Publication by Contractor or Technical Personnel.

(1) Publication in whole or in part of Contractor's reports furnished the Government. Unless such reports have been placed in the public domain by Government publication, the Contractor or Technical Personnel (each employee or consultant working under the administrative direction of the Contractor or any subcontractor hereunder) may publish a report furnished the Government, in toto or in verbatim excerpt, but consistent with paragraph (c) of this clause may not secure copyright therein, subject to the following conditions, and the conditions in paragraph (e)(4) and paragraph (f):

(i) During the first six months after submission of the full final report, if written permission to publish is obtained from the Contracting Officer.

(ii) After six months following submission of the full final report, and if paragraph (e)(3) is inapplicable, if a foreword or footnote in the non-Government publication indicates the source of the verbatim material.

(2) Publication, except verbatim excerpts, concerning or based in whole or in part on results of research and development and studies hereunder. The Contractor or Technical Personnel may issue a publication concerning, or based in whole or in part on the results of, the research and development and studies conducted under this contract and may secure copyright therein but in so publishing is not authorized thereby to inhibit the unrestricted right of the Secretary of Housing and Urban Development to disclose or publish in such manner as he may deem to be in the public interest the results of such research and development and studies, subject to the following conditions and the requirement in paragraph (e)(4):

(i) During the first six months after submission of the full final report, and if paragraph (e)(3) is inapplicable, if written waiver of the waiting period is obtained from the Contracting Officer.

(General Provisions for Cost-reimbursement contracts, HUD 747(1-71) continued on next page.)

(ii) After six months following submission of the full final report, and if paragraph (e)(3) is inapplicable, subject to Government exercise of an option that the publication contain a foreword or initial footnote substantially as follows:

The (research) (development) (studies) forming (part of) the basis for this publication were conducted pursuant to a contract with the Department of Housing and Urban Development. The substance of such (research) (development) (studies) is dedicated to the public. The author and publisher are solely responsible for the accuracy of statements or interpretations contained herein.

(3) General condition if HUD determines that Contractor's final report contains patentable subject matter developed in contract performance. If the Contracting Officer determines that the Contractor's full final report contains patentable subject matter developed in the performance of this contract and so notifies the Contractor in writing prior to six months from date of submission of such report, no publication of verbatim excerpts from Contractor's reports or publication concerning or based in whole or in part on the results of the research and development and studies hereunder shall be made without the written consent of the Contracting Officer.

(4) Copies of Contractor and Technical Personnel publications to be furnished the Government. The Contractor or Technical Personnel will furnish the Contracting Officer six (6) copies of any publications which are based in whole or in part on the research and development and studies conducted under this contract.

(f) Administratively Confidential Information. The Contractor shall not publish or otherwise disclose, except to the Government and except matters of public record, any information or data obtained hereunder from private individuals, organizations, or public agencies, in a publication whereby the information or data furnished by any particular person or establishment can be identified, except with the consent of such person or establishment (consistent with the inhibitions applicable to the Secretary of Housing and Urban Development under section 602(d) of the Housing Act of 1956, 12 U.S.C. 1701d-3(d)).

(g) Inclusion of Provisions in Contractor's Agreements. The Contractor shall include provisions appropriate to effectuate the purposes of this clause in all contracts of employment with persons who perform any part of the research or development or study under this contract and in any consultant's agreements or subcontracts involving research or development or study hereunder.

30. PATENTS

(a) The patentable results of research and development and studies conducted under the contract and all information, designs, specifications, know-how, data, and findings developed in the performance of this contract shall be made available to the public through dedication, assignment to the Government, or such other means as the Secretary of Housing and Urban Development shall determine. The Contractor agrees (1) to cooperate in the preparation and prosecution of any domestic or foreign patent applications which the Government may decide to undertake covering the subject matter above described, (2) to execute all papers requisite in the prosecution of such patent applications, including assignments to the United States and dedications, and (3) to secure the cooperation of Technical Personnel (each employee or consultant working under the administrative direction of the Contractor or any subcontractor hereunder) in the preparation and the execution of all such papers as may be required in the prosecution of such patent applications or in order to vest title in the subject matter involved in the United States, or to secure the right of free use to the public.

(b) Prior to final payment under this contract, the Contractor shall file a final report disclosing to the Contracting Officer all inventions, improvements, and discoveries developed in the performance of this contract, and shall certify on the last page of such report that to the best of his knowledge and belief such disclosure has been made therein or that there are no such unreported inventions.

(c) The Contractor shall include provisions appropriate to effectuate the purposes of this clause in all contracts of employment with persons who perform any part of the research or development or studies under this contract and in any consultants' agreements or subcontracts involving research or development or studies hereunder.

31. CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The

bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF
REQUIREMENT FOR CERTIFICATIONS OF NON-
SEGREGATED FACILITIES**

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

32. AUDIT AND RECORDS

(a) The Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. The foregoing constitute "records" for the purposes of this clause.

(b) The Contractor's plants, or such part thereof as may be engaged in the performance of this contract, and his records shall be subject at all reasonable times to inspection and audit by the Contracting Officer or his authorized representatives.

(c) The Contractor shall preserve and make available his records (1) until the expiration of 3 years from the date of final payment under this contract, or of the time periods for the particular records specified in 41 CFR Part 1-20, whichever expires earlier, and (2) for such longer period, if any, as is required by applicable statute, or by other clauses of this contract, or by (i) or (ii) below.

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(i) If the contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of 3 years from the date of any resulting final settlement.

(ii) Records which relate to (A) appeals under the "Disputes" clause of this contract, (B) litigation or the settlement of claims arising out of the performance of this contract, or (C) costs and expenses of this contract as to which exception has been taken by the Contracting Officer or any of his duly authorized representatives, shall be retained until such appeals, litigation, claims, or exceptions have been disposed of.

(d) (1) The Contractor shall insert the substance of this clause, including the whole of this paragraph (d), in each subcontract hereunder that is not firm fixed-price or fixed-price with escalation. When so inserted, changes shall be made to designate the higher-tier subcontractor at the level involved in place of the Contractor; to add "of the Government prime contract" after "Contracting Officer"; and to substitute "the Government prime contract" in place of "this contract" in (11) of paragraph (c) above.

33. NEGOTIATED OVERHEAD RATES

(This clause shall be applicable only when it has been determined that negotiated overhead rates are to be used.)

(a) Notwithstanding the provisions of the clause of this contract entitled "Allowable Cost, Fixed Fee, and Payment," the allowable indirect costs under this contract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

(b) The Contractor, as soon as possible but not later than ninety (90) days after the expiration of his fiscal year, or such other period as may be specified in the contract, shall submit to the Contracting Officer, with a copy to the cognizant audit activity, a proposed final overhead rate or rates for that period based on the Contractor's actual cost experience during that period, together with supporting cost data. Negotiation of overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with applicable Subpart 1-15.2 of Federal Procurement Regulations (41 CFR 1-15.2) as in effect on the date of this contract.

(d) The results of each negotiation shall be set forth in a modification to this contract, which shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply.

(e) Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as

provided in the contract, or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, and to apply either retroactively or prospectively: (1) Provisional rates may, at the request of either party, be revised by mutual agreement, and (2) billing rates may be adjusted at any time by the Contracting Officer. Any such revision of negotiated provisional rates provided in the contract shall be set forth in a modification to this contract.

(f) Any failure by the parties to agree on any final rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the "Disputes" clause of this contract.

34. INTEREST

Notwithstanding any other provision of this contract, unless paid within 30 days, all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest at the rate of 6 percent per annum from the date due until paid (inclusive of interest). Said amounts shall be due upon the earliest one of (i) the date fixed pursuant to the contract; (ii) the date of the first written demand for payment, including demand consequent upon default termination; (iii) the date of transmittal by the Government to the Contractor of a proposed supplemental agreement to confirm the completed negotiations fixing the amount; or (iv) if this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by contract supplement.

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(Nothing further follows on this page.)

U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
ADDITIONAL GENERAL PROVISIONS

(Cost-Reimbursement Contracts)

1. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA

(a) If the Contracting Officer determines that any price, including profit or fee, negotiated in connection with this contract or any cost reimbursable under this contract was increased by any significant sums because the Contractor, or any subcontractor pursuant to the clause of this contract entitled "Subcontractor Cost or Pricing Data" or "Subcontractor Cost or Pricing Data - Price Adjustments," or any subcontract clause therein required, furnished incomplete or inaccurate cost or pricing data or data not current as certified in his Contractor's Certificate of Current Cost or Pricing Data, then such price or cost shall be reduced accordingly and the contract shall be modified in writing to reflect such reduction.

(b) Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

(NOTE: Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontracts, it is expected that the contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the contractor. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his lower tier subcontractors.)

2. Clause 32 of the General Provisions, HUD Form 747, entitled "Audit and Records" is hereby deleted in its entirety and the following is substituted in lieu thereof:

AUDIT AND RECORDS

(a) The Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. The foregoing constitute "records" for the purposes of this clause.

(b) The Contractor's plants, or such part thereof as may be engaged in the performance of this contract, and his records shall be subject at all reasonable times to inspection and audit by the Contracting Officer or his authorized representatives. In addition, for purposes of verifying that cost or pricing data submitted, in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of \$100,000, was accurate, complete, and current, the Contracting Officer, or his authorized representatives, shall, until the expiration of 3 years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(c) The Contractor shall preserve and make available his records (1) until the expiration of 3 years from the date of final payment under this

contract, or of the time periods for the particular records specified in 41 CFR Part 1-20, whichever expires earlier, and (2) for such longer period, if any, as is required by applicable statute, or by other clauses of this contract, or by (i) or (ii) below.

(i) If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of 3 years from the date of any resulting final settlement.

(ii) Records which relate to (A) appeals under the "Disputes" clause of this contract, (B) litigation or the settlement of claims arising out of the performance of this contract, or (C) costs and expenses of this contract as to which exception has been taken by the Contracting Officer or any of his duly authorized representatives, shall be retained until such appeals, litigation, claims, or exceptions have been disposed of.

(d) (1) The Contractor shall insert the substance of this clause, including the whole of this paragraph (d), in each subcontract hereunder that is not firm fixed-price or fixed-price with escalation. When so inserted, changes shall be made to designate the higher-tier subcontractor at the level involved in place of the Contractor; to add "of the Government prime contract" after "Contracting Officer"; and to substitute "the Government prime contract" in place of "this contract" in (B) of paragraph (c) above.

(2) The Contractor shall insert the substance of the following clause in each firm fixed-price or fixed-price with escalation subcontract hereunder which when entered into exceeds \$100,000, except those subcontracts covered by subparagraph (3) below:

AUDIT

(a) For purposes of verifying that certified cost or pricing data submitted in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of \$100,000, was accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall, until the expiration of 3 years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(b) The subcontractor agrees to insert this clause, including this paragraph (b), in all subcontracts hereunder which when entered into exceed \$100,000 unless the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(3) The Contractor shall insert the following clause in each firm fixed-price or fixed-price with escalation subcontract hereunder which when entered into exceeds \$100,000 where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

AUDIT - PRICE ADJUSTMENTS

(a) This clause shall become operative only with respect to any change or other modification of this contract, which involves a price adjustment in excess of \$100,000 unless the price adjustment is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation: Provided, That such change or other modification to this contract must result from a change or other modification (1) to the Government prime contract, or (2) authorized under the provisions of the Government prime contract.

(b) For purposes of verifying that any certified cost or pricing data submitted in conjunction with a contract change or other modification were accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall, until the expiration of 3 years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(c) The subcontractor agrees to insert the substance of this clause including this paragraph (c) in all subcontracts hereunder which when entered into exceed \$100,000.

3. SUBCONTRACTOR COST AND PRICING DATA

(a) The Contractor shall require subcontractors hereunder to submit in writing cost or pricing data under the following circumstances:

(1) Prior to award of any cost-reimbursement type, time and material, labor-hour, incentive, or price redeterminable subcontract, the price of which is expected to exceed \$100,000; and

(2) Prior to the award of any other subcontract, the price of which is expected to exceed \$100,000 or to the pricing of any subcontract change or other modification for which the price adjustment is expected to exceed \$100,000, where the price or price adjustment is not based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(b) The Contractor shall require subcontractors to certify, in substantially the same form as that used in the certificate by the Prime Contractor to the Government, that, to the best of their knowledge and belief, the cost and pricing data submitted under (a) above are accurate, complete, and current as of the date of the execution, which date shall be as close as possible to the date of agreement on the negotiated price of the subcontract or subcontract change or modification.

(c) The Contractor shall insert the substance of this clause including this paragraph (c) in each of his cost-reimbursement type, time and material, labor-hour, price redeterminable, or incentive subcontracts hereunder, and in any other subcontract hereunder which exceeds \$100,000 unless the price thereof is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. In each such

excepted subcontract hereunder which exceeds \$100,000, the Contractor shall insert the substance of the following clause:

SUBCONTRACTOR COST AND PRICING DATA-PRICE ADJUSTMENTS

(a) Paragraphs (b) and (c) of this clause shall become operative only with respect to any change or other modification made pursuant to one or more provisions of this contract which involves a price adjustment in excess of \$100,000. The requirements of this clause shall be limited to such price adjustments.

(b) The Contractor shall require subcontractors hereunder to submit cost or pricing data under the following circumstances:

(1) Prior to award of any cost-reimbursement type, time and material, labor-hour, incentive, or price redeterminable subcontract, the price of which is expected to exceed \$100,000; and

(2) Prior to award of any other subcontract, the price of which is expected to exceed \$100,000, or to the pricing of any subcontract change or other modification for which the price adjustment is expected to exceed \$100,000, where the price or price adjustment is not based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(c) The Contractor shall require subcontractors to certify, in substantially the same form as that used in the Certificate by the Prime Contractor to the Government, that, to the best of their knowledge and belief, the cost and pricing data submitted under (b) above are accurate, complete, and current as of the date of the execution, which date shall be as close as possible to the date of agreement on the negotiated price of the contract modification.

(d) The Contractor shall insert the substance of this clause including this paragraph (d) in each subcontract hereunder which exceeds \$100,000.

(NOTHING FURTHER ON THIS PAGE.)

ADDITIONAL GENERAL PROVISIONS

4. COST ACCOUNTING STANDARDS

(a) Unless the Cost Accounting Standards Board has prescribed rules or regulations exempting the Contractor or this contract from standards, rules, and regulations promulgated pursuant to 50 U.S.C. App. 2168 (P.L. 91-379, August 15, 1970), or other statutory authority, the Contractor, in connection with this contract shall:

(1) By submission of a Disclosure Statement, disclose in writing his cost accounting practices as required by regulations of the Cost Accounting Standards Board. The required disclosures must be made prior to contract award unless the Contracting Officer provides a written notice to the Contractor authorizing post-award submission in accordance with regulations of the Cost Accounting Standards Board. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain this Cost Accounting Standards clause. If the Contractor has marked the Disclosure Statement to indicate that it contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement will be protected and will not be released outside of the Government..

(2) Follow consistently the cost accounting practices disclosed pursuant to (1), above, in accumulating and reporting contract performance cost data concerning this contract. If any change in disclosed practices is made for the purposes of any contract or subcontract subject to Cost Accounting Standards Board requirements, the change must be applied prospectively to this contract, and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with subparagraph (a)(4) or (a)(5), below, as appropriate.

(3) Comply with all Cost Accounting Standards in effect on the date of award of this contract or if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any Cost Accounting Standard which hereafter becomes applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)(A) Agree to an equitable adjustment (as provided in the Changes clause of this contract) if the contract cost is affected by a change which pursuant to (3) above the Contractor is required to make to his established cost accounting practices whether such practices are covered by a Disclosure Statement or not.

(B) Negotiate with the Contracting Officer to determine the terms and conditions under which a change to either a disclosed cost accounting practice or an established cost accounting practice, other than a change under (4)(A), above, may be made. A change to a practice may be proposed by either the Government or the Contractor, provided, however, that no agreement may be made under this provision that will increase costs paid by the United States under this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if he or a subcontractor fails to comply with an applicable Cost Accounting Standard or to follow any practice disclosed pursuant to subparagraphs (a)(1) and (a)(2), above, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the rate determined by the Secretary of the Treasury pursuant to P.L. 92-41, 85 Stat. 97, or 7 percent per annum, whichever is less, from the time the payments by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable Cost Accounting Standard, rule, or regulation of the Cost Accounting Standards Board and as to any cost adjustment demanded by the United States, such failure to agree shall be a dispute concerning a question of fact within the meaning of the Disputes clause of this contract.

(c) The Contractor shall permit any authorized representatives of the head of the agency, the Cost Accounting Standards Board, or the Comptroller General of the United States to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which he enters into the substance of this clause except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that this requirement shall apply only to negotiated subcontracts in excess of \$100,000 where the price negotiated is not based on:

(i) Established catalog or market prices of commercial items sold in substantial quantities to the general public; or

(ii) Prices set by law or regulation, and except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to accept the Cost Accounting Standards Clause by reason of § 331.30(b) of Title 4, Code of Federal Regulations (4 CFR 331.30(b)) or § 1-3.1203(a)(2) of Title 41, Code of Federal Regulations (41 CFR 1-3.203(a)(2)).

NOTE:

1. Subcontractors shall be required to submit their Disclosure Statements to the Contractor. However, if a subcontractor has previously submitted his Disclosure Statement to a Government Contracting Officer he may satisfy that requirement by certifying to the Contractor the date of such Statement and the address of the Contracting Officer.

2. In any case where a subcontractor determines that the Disclosure Statement information is privileged and confidential and declines to provide it to his Contractor or higher tier subcontractor, the Contractor may authorize direct submission of that subcontractor's Disclosure Statement to the same Government offices to which the Contractor was required to make submission of his Disclosure Statement. Such authorization shall in no way relieve the Contractor of liability as provided in paragraph (a)(5) of this clause. In view of the foregoing and since the contract may be subject to adjustment under this clause by reason of any failure to comply with rules, regulations, and Standards of the Cost Accounting Standards Board in connection with covered subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. However, the inclusion of such a clause and the terms thereof are matters for negotiation and agreement between the Contractor and the subcontractor, provided that they do not conflict with the duties of the Contractor under its contract with the Government. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification to be submitted by his subcontractors.

(e) The terms defined in Sec. 331.20 of Part 331 of Title 4, Code of Federal Regulations (4 CFR 331.20) shall have the same meanings herein. As there defined, "negotiated subcontract" means "any subcontract except a firm fixed-price subcontract made by a Contractor or subcontractor after receiving offers from at least two firms not associated with each other or such Contractor or subcontractor, providing (1) the solicitation to all competing firms is identical, (2) price is the only consideration in selecting the subcontractor from among the competing firms solicited, and (3) the lowest offer received in compliance with the solicitation from among those solicited is accepted."

5. ADMINISTRATION OF COST ACCOUNTING STANDARDS

For the purpose of administering Cost Accounting Standards requirements under this contract, the Contractor shall:

- (a) Submit to the cognizant contracting officer a description of the accounting change and the general dollar magnitude of the change to reflect the sum of all increases and the sum of all decreases for all contracts containing the Cost Accounting Standards clause:
 - (1) For any change in cost accounting practices required to comply with a new Cost Accounting Standard in accordance with paragraphs (a)(3) and (a)(4)(A) of the clause of this contract entitled "Cost Accounting Standards" within 60 days (or such other date as may be mutually agreed to after award of a contract requiring such change;
 - (2) For any change to cost accounting practices proposed in accordance with paragraph (a)(4)(B) of the clause of this contract entitled "Cost Accounting Standards" not less than 60 days (or such other date as may be mutually agreed to) prior to the effective date of the proposed change; or
 - (3) For any failure to comply with an applicable Cost Accounting Standard or to follow a disclosed practice as contemplated by paragraph (a)(5) of the clause of this contract entitled "Cost Accounting Standards" within 60 days (or such other date as may be mutually agreed to) after the date of agreement of such noncompliance by the Contractor.
- (b) Submit a cost impact proposal in the form and manner specified by the cognizant contracting officer within 60 days (or such other date as may be mutually agreed to) after the date of determination of the adequacy and compliance of a change submitted pursuant to (a)(1), (2), or (3) above.
- (c) Agree to appropriate contract and subcontract amendments to reflect adjustments established in accordance with paragraphs (a)(4) and (a)(5) of the clause of this contract entitled "Cost Accounting Standards."
- (d) Include the substance of this clause in all negotiated subcontracts containing the clause entitled "Cost Accounting Standards."

In addition, include a provision in these subcontracts which will require such subcontractors, within thirty (30) days after receipt of award, to submit the following information to the contracting officer cognizant of the subcontractor's facility:

- (1) Subcontractor's name and subcontract number;

- (2) Dollar amount and date of award;
 - (3) Name of Contractor making the award; and
 - (4) A statement as to whether the subcontractor has made or proposes to make any changes to accounting practices that affect prime contracts or subcontracts containing the Cost Accounting Standards clause, unless such changes have already been reported. If award of the subcontract results in making a Cost Accounting Standard(s) effective for the first time this shall also be reported.
- (e) In the event an adjustment is required to be made to any subcontract hereunder, notify the cognizant contracting officer in writing of such adjustment and agree to an adjustment in the price or estimated cost and fee of this contract, as appropriate, based upon the adjustment established under the subcontract. Such notice shall be given within 30 days after receipt of the proposed subcontract adjustment, and shall include a proposal for adjustment to such higher tier subcontract.
- (f) When the Cost Accounting Standards clause and this clause are included in subcontracts, the term "contracting officer" shall be suitably altered to identify the purchaser.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ALTERATIONS TO GENERAL PROVISIONS
Cost-Reimbursement Contracts

General Provisions for Cost-Reimbursement Contracts. HUD 747 (1-71) attached hereto is amended as follows:

- A. Clause 4, "ALLOWABLE COST, FIXED FEE, AND PAYMENT", Subparagraph (A) which reads as follows:

"Subpart 1-15.2 (41 CFR 1-15.2) of the Federal Procurement Regulations as in effect on the date of the contract;"

is hereby deleted in its entirety and the following is substituted therefor:

"The applicable Subpart under 1-15 (41 CFR 1-15) of the Federal Procurement Regulations as in effect on the date of this contract;"

- B. Clause 30, "PATENTS" is deleted in its entirety, and the following clause is inserted in lieu thereof:

PATENTS

(a) All rights to the patentable results of research and development and studies conducted by the Contractor or its employees in the course of or under this contract and all information, designs, specifications, know-how, data, and findings developed in the performance of this contract shall belong to the Government and shall be made available to the public by such means as the Secretary shall determine.

(b) The Contractor hereby agrees to do all things necessary to prepare and prosecute any domestic or foreign patent applications the Government may decide to undertake covering the subject matter described above or to carry out the determination of the Secretary with respect to such subject matter.

(c) The Contractor shall obtain agreements appropriate to effectuate the purposes of this clause from all persons who perform any work under this contract.

(d) The Contractor shall include in all subcontracts entered into under this contract provisions making all of the provisions of this clause applicable to subcontractors and their employees.

(e) The Contractor may apply to the Secretary at any time for an assignment of rights in or exclusive or non-exclusive license for any or all of the subject matter described above. The Secretary will determine whether or not to grant such license in general accordance with the Government Patent Policy and any subsequent revisions or interpretations thereof. The determinations of the Secretary in regard to such application shall not be considered a dispute under the Disputes clause.

(f) The Contractor shall file with the final report required by this contract a statement to the Contracting Officer disclosing whether any inventions, improvements or discoveries were developed in the performance of this contract and said statement shall disclose the nature of all such

inventions, improvements and discoveries. The Contractor shall certify on the last page of such statement that to the best of his knowledge and belief such disclosure has been made therein. Failure to comply with the provisions of this paragraph shall constitute grounds for withholding of final payment.

- C. A new clause number 35 entitled, "UTILIZATION OF MINORITY BUSINESS ENTERPRISES" is added to the Index.

- D. Clause 35 entitled, "UTILIZATION OF MINORITY BUSINESS ENTERPRISES" is added as follows and is applicable if this contract exceeds \$5,000:

UTILIZATION OF MINORITY BUSINESS ENTERPRISES

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The Contractor agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American-Eskimos, and American Aleuts. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

- E. A new clause number 36 entitled, "LISTING OF EMPLOYMENT OPENINGS" is added to the Index.

- F. A new clause number 36 entitled, "LISTING OF EMPLOYMENT OPENINGS" is added as follows pursuant to 41 CFR 50-250 if this contract is for \$2,500 or more.

(a) The Contractor agrees, in order to provide special emphasis to the employment of qualified disabled veterans and veterans of the Vietnam era, that all suitable employment openings of the Contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be offered for listing at an appropriate local office of the State employment service system wherein the opening occurs and to provide such reports to such local office regarding

employment openings and hires as may be required: Provided, That if this contract is for less than \$10,000 or if it is with a State or local government the reports set forth in paragraphs (c) and (d) are not required.

(b) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment service or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. This listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the Contractor from any requirements in any statutes Executive orders, or regulations regarding nondiscrimination in employment.

(c) The reports required by paragraph (c) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the Contractor has more than one establishment in a State, with the service. Such reports shall indicate for each establishment (i) the number of individuals who were hired during the reporting period, (ii) the number of those hired who were disabled veterans, and (iii) the number of those hired who were nondisabled veterans of the Vietnam era. The Contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made under this contract. The Contractor shall maintain copies of the reports submitted until the expiration of 1 year after final payment under the contract, during which time they shall be made available, upon request for examination by an authorized representatives of the Contracting Officer or of the Secretary of Labor.

(d) Whenever the Contractor becomes contractually bound by the listing provisions of this clause, he shall advise the employment service system in each State wherein he has establishments of the name and location of each such establishment in the State. As long as the Contractor is contractually bound to these provisions and has so advised the State employment system, there is not need to advise the State system of subsequent contracts. The Contractor may advise the State system when it is no longer bound by this contract clause.

(e) This clause does not apply to the listing of employment openings which occur and are filed outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(f) This clause does not apply to openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This

exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(g) As used in this clause:

(1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: Production and nonproduction; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings which are compensated on a salary basis of less than \$18,000 per year. The term includes full-time employment, temporary employment of more than 3 days' duration and part-time employment. It does not include openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement.

(2) "Appropriate office of the State employment services system" means the local office of the Federal-State national system of public employment offices with assigned responsibility for serving the area of the establishment where the employment opening is to be filled, including the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) "Openings which the Contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the Contractor's own organization (including any affiliates, subsidiaries, and parent companies), and includes any openings which the Contractor proposes to fill from regularly established "recall" or "rehire" lists.

(4) "Openings which the Contractor proposes * * * to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings for which no consideration will be given to persons outside of a special hiring arrangement, including openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the Contractor and representatives of his employees.

(5) "Disabled veteran" means a person entitled to disability compensation under laws administered by the Veterans Administration for a disability rated at 30 percent or more, or a persons whose discharge for release from active duty was for a disability incurred or aggravated in line of duty.

(6) "Veteran of the Vietnam era" means a person (A) who (i) served on active duty with the Armed Forces for a period of more than 180 days, any part of which occurred after August 5, 1964, and was discharged or released therefrom with other than a dis-

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

PAGE 1 OF 1

1. AMENDMENT/MODIFICATION NO. 1.		2. EFFECTIVE DATE 2/1/79		3. REQUISITION/PURCHASE REQUEST NO.		4. PROJECT NO. (If applicable)	
5. ISSUED BY Contracting Officer Dept. of Housing & Urban Development 3 South Wacker Drive Chicago, Illinois 60606				6. ADMINISTERED BY (If other than block 5) Regional Contracting Officer (312) 353-8993			
7. CONTRACTOR NAME AND ADDRESS (Street, city, county, state, and ZIP Code) Leadership Council for Metropolitan Open Communities 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1470		CODE FACILITY CODE		8. AMENDMENT OF SOLICITATION NO. DATED _____ (See block 9) MODIFICATION OF CONTRACT/ORDER NO. H-4256 DATED 11/11/77 (See block 11)			

9. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods:

(a) By signing and returning _____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

10. ACCOUNTING AND APPROPRIATION DATA (If required)

No Change

11. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS

(a) ☐ This Change Order is issued pursuant to _____

The Changes set forth in block 12 are made to the above numbered contract/order.

(b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12.

☒ This Supplemental Agreement is entered into pursuant to authority of **Mutual agreement of the Parties**

It modifies the above numbered contract as set forth in block 12.

12. DESCRIPTION OF AMENDMENT/MODIFICATION

Whereas, the Department has entered into a contract with Leadership Council to assist members of the Gautreaux Plaintiff class under the Section 8 Existing Housing Program and,

Whereas, additional time is needed to assist additional "Gautreaux families".

Now, therefore, it is agreed by the contract parties that the contract be amended as follows:

1. ARTICLE VI - CONTRACT PERIOD of the Schedule is change to show the new contract completion date to be March 31, 1979.

Except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.

13. CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT		☒ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 3 COPIES TO ISSUING OFFICE	
14. NAME OF CONTRACTOR/OFFEROR BY Kale Williams (Signature of person authorized to sign)		17. UNITED STATES OF AMERICA BY Henry J. Maliga (Signature of Contracting Officer)	
15. NAME AND TITLE OF SIGNER (Type or print) Kale Williams Executive Director	16. DATE SIGNED 1/26/79	18. NAME OF CONTRACTING OFFICER (Type or print) Henry J. Maliga	19. DATE SIGNED 1/30/79

GENERAL SERVICES ADMINISTRATION FED. PROC. REG. (41 CFR) 1-16.101		AMENDMENT/MODIFICATION OF CONTRACT		1	1	K
1. AMENDMENT/MODIFICATION NO. 2,		2. ISSUE DATE 4-1-79		3. REQUISITION-PURCHASE REQUEST NO.		4. PROJECT NO. (If applicable)
5. ISSUED BY Contracting Officer Department of Housing & Urban Development 300 South Wacker Drive Chicago, Illinois 60606		6. ADMINISTERED BY (If other than block 5) Regional Contracting Officer (312) 353-8993		CODE		CODE
7. CONTRACTOR NAME AND ADDRESS Leadership Council for Metropolitan Open Communities 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1470		FACILITY CODE		8. AMENDMENT OF SOLICITATION NO. _____ DATED _____ (See block 9) MODIFICATION OF CONTRACT/ORDER NO. <u>H-4256</u> DATED <u>11/11/77</u> (See block 11)		
9. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS ☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods: (a) By signing and returning _____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.						
10. ACCOUNTING AND APPROPRIATION DATA (If required) 8680139 310,000 8690139 190,000 (increase) 500,000						
11. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS (a) ☐ This Change Order is issued pursuant to _____ The Changes set forth in block 12 are made to the above numbered contract/order. (b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12. ☒ This Supplemental Agreement is entered into pursuant to authority of <u>Mutual agreement of the Parties</u> It modifies the above numbered contract as set forth in block 12.						
12. DESCRIPTION OF AMENDMENT/MODIFICATION WHEREAS, the Department has entered into a contract with Leadership Council to assist members of the Gautreaux class under the Section 8 Existing Housing Program and, WHEREAS, The Government's interest will be best served by assisting additional "Gautreaux families". NOW, THEREFORE, it is agreed by the parties that the contract be amended as follows: 1. <u>ARTICLE VI - CONTRACT PERIOD</u> of the Schedule is changed to show the contract completion date to be September 30, 1979. 2. Block 21 of the contract cover sheet (Standard Form 26) is changed to show the amount of contract to be \$500,000.						
Except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.						
13. ☐ CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT ☒ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN <u>3</u> COPIES TO ISSUING OFFICE						
14. NAME OF CONTRACTOR/OFFEROR BY <u>Kale Williams</u> (Signature of person authorized to sign)				17. UNITED STATES OF AMERICA BY <u>[Signature]</u> (Signature of Contracting Officer)		
15. NAME AND TITLE OF SIGNER (Type or print) Kale Williams Executive Director		16. DATE SIGNED 3-30-79		18. NAME OF CONTRACTING OFFICER (Type or print) Henry J. Maliga		19. DATE SIGNED 3-30-79

GENERAL SERVICES ADMINISTRATION FED. PROC. REG. (41 CFR) 1-16.101		AMENDMENT/SOLICITATION/MODIFICATION OF CONTRACT		1	1
1. AMENDMENT/MODIFICATION NO. 3		2. EFFECTIVE DATE 10/1/79		3. REQUISITION/PURCHASE REQUEST NO.	
4. PROJECT NO. (If applicable)		5. ISSUED BY Contracting Officer Department of Housing & Urban Development 300 South Wacker Drive Chicago, Illinois 60606		6. ADMINISTERED BY (If other than block 5) Regional Contracting Officer (312) 353-8993	
7. CONTRACTOR NAME AND ADDRESS Leadership Council for Metropolitan Open Communities 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1470		8. FACILITY CODE		9. AMENDMENT OF SOLICITATION NO. DATED (See block 9) MODIFICATION OF CONTRACT/ORDER NO. H-4256 DATED 11/11/77 (See block 11)	
10. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS ☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods: (a) By signing and returning _____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
11. ACCOUNTING AND APPROPRIATION DATA (If required) No change					
12. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS (a) ☐ This Change Order is issued pursuant to _____ The Changes set forth in block 12 are made to the above numbered contract/order. (b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12. (c) ☐ This Supplemental Agreement is entered into pursuant to authority of <u>Mutual agreement of the Parties</u> It modifies the above numbered contract as set forth in block 12.					
13. DESCRIPTION OF AMENDMENT/MODIFICATION WHEREAS, the Department has entered into a contract with Leadership Council to assist members of the Gautreaux class by means of a demonstration program under the Section 8 Existing Housing Program and, WHEREAS, the Government's interest will be best served by extending the letter agreement and thereby assisting additional "Gautreaux families". NOW, THEREFORE, it is agreed by the parties that the contract be amended as follows: 1. <u>ARTICLE VI - CONTRACT PERIOD</u> of the Schedule is changed to show the new contract completion date of December 31, 1979.					
Except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.					
14. CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT ☒ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 3 COPIES TO ISSUING OFFICE					
15. NAME OF CONTRACTOR/OFFEROR BY <u>Kale Williams</u> (Signature of person authorized to sign)		17. UNITED STATES OF AMERICA BY <u>Henry J. Maliga</u> (Signature of Contracting Officer)		19. DATE SIGNED 9/28/79	
16. NAME AND TITLE OF SIGNER (Type or print) Kale Williams Executive Director		18. NAME OF CONTRACTING OFFICER (Type or print) Henry J. Maliga		19. DATE SIGNED 9/28/79	

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

PAGE 1 OF 1

1. AMENDMENT/MODIFICATION NO. 4.		2. EFFECTIVE DATE 1/1/80		3. REQUISITION/PURCHASE REQUEST NO.		4. PROJECT NO. (If applicable)	
5. ISSUED BY Contracting Officer DHU - Chicago Regional Office 300 South Wacker Drive Chicago, Illinois 60606		CODE		6. ADMINISTERED BY (If other than block 5) Regional Contracting Officer (312) 353-8993		CODE	
7. CONTRACTOR NAME AND ADDRESS Leadership Council for Metropolitan Open Communities 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1170				FACILITY CODE		8. ☐ AMENDMENT OF SOLICITATION NO. _____ DATED _____ (See block 9) ☒ MODIFICATION OF CONTRACT/ORDER NO. H-4256 DATED 11/11/77 (See block 11)	

9. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods:

(a) By signing and returning _____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

10. ACCOUNTING AND APPROPRIATION DATA (If required)

Res. No. 5890139 HA-05-06-79-03 increased available funds by \$60,000

11. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS

(a) ☐ This Change Order is issued pursuant to _____
The Changes set forth in block 12 are made to the above numbered contract/order.

(b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12.

☒ This Supplemental Agreement is entered into pursuant to authority of Clause 2, CHANGES
It modifies the above numbered contract as set forth in block 12.

12. DESCRIPTION OF AMENDMENT/MODIFICATION

It is agreed by the Parties that the Contract be amended as follows:

1. Pending definitization of the costs associated with providing the services specified herein, the Contractor is authorized to continue performance into the extended performance period, but in no event will he be required to perform services which in the aggregate amount exceed \$50,000.
2. The time for performance is extended to February 29, 1980.
3. The Contractor shall do all things necessary to perform the services in accordance with the SPECIFICATIONS, ATTACHMENT A, and/or the new letter of understanding between HUD and the Gautreaux plaintiffs, dated November 8, 1979.

Except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.

13. ☐ CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT ☒ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 3 COPIES TO ISSUING OFFICE			
14. OF CONTRACTOR/OFFEROR BY Kale Williams (Signature of person authorized to sign)		17. UNITED STATES OF AMERICA BY Henry J. Maliga (Signature of Contracting Officer)	
15. NAME AND TITLE OF SIGNER (Type or print) Kale Williams Executive Director		16. DATE SIGNED 12/31/79	
18. NAME OF CONTRACTING OFFICER (Type or print) Henry J. Maliga		19. DATE SIGNED 12/31/79	

STANDARD FORM 30, JULY 1966 GENERAL SERVICES ADMINISTRATION FED. PROC. REG. (41 CFR) 1-16.101		AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		PAGE 1 OF 7
1. AMENDMENT/MODIFICATION NO. 5		2. EFFECTIVE DATE 3/1/80		3. REQUISITION/PURCHASE REQUEST NO.
4. PROJECT NO. (If applicable)		5. ISSUED BY CODE		6. ADMINISTERED BY (If other than block 5) CODE
Contracting Officer DHU - Chicago Regional Office 300 South Wacker Drive Chicago, Illinois 60606		Regional Contracting Officer (312) 353-8993		
7. CONTRACTOR NAME AND ADDRESS CODE		FACILITY CODE		8.
Leadership Council for Metropolitan Open Communities (Street, city, county, state, and ZIP Code) 407 South Dearborn Street Chicago, Illinois 60605 (312) 341-1470				☐ AMENDMENT OF SOLICITATION NO. DATED (See block 9) ☒ MODIFICATION OF CONTRACT/ORDER NO. H-4256 DATED 11/11/77 (See block 11)
9. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS ☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods: (a) By signing and returning _____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.				
10. ACCOUNTING AND APPROPRIATION DATA (If required)				
11. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS (a) ☐ This Change Order is issued pursuant to _____ The Changes set forth in block 12 are made to the above numbered contract/order. (b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12. ☐ This Supplemental Agreement is entered into pursuant to authority of _____ It modifies the above numbered contract as set forth in block 12.				
12. DESCRIPTION OF AMENDMENT/MODIFICATION WHEREAS, the Contractor and the Department have entered into Contract H-4256 under the date of November 11, 1977 which together with any and all amendments, changes, modifications, and supplements thereto, is hereinafter referred to as the "Contract"; and WHEREAS, the Department's interest will be best served by extending the time for performance to assist additional "Gautreaux families" under the Section 8 Existing Housing Demonstration Program; and WHEREAS, it has become necessary for the Department to change certain portions of the work in-progress, and work to be performed under the provisions of the Contract. NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable considerations, the parties hereto do mutually agree to amend said Contract as follows: 1. The INDEX OF ARTICLES is changed by the addition of a new contract article entitled ARTICLE XIII - CONTRACT TERMINATION OR MODIFICATION.				
Except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.				
13. ☐ CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT ☐ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN _____ COPIES TO ISSUING OFFICE				
14. NAME OF CONTRACTOR/OFFEROR BY Kalo Williams (Signature of person authorized to sign)		17. UNITED STATES OF AMERICA BY [Signature] (Signature of Contracting Officer)		
15. NAME AND TITLE OF SIGNER (Type or print) Kalo Williams, Executive Director Leadership Council for Metropolitan		16. DATE SIGNED 24 Feb 80		18. NAME OF CONTRACTING OFFICER (Type or print) HENRY J. MALIGA
				19. DATE SIGNED 2/29/80

2. Paragraph A of ARTICLE II - CONDUCT OF WORK is changed by the deletion of the deletion of the name Inez Themain and the substitution of the name of MARTIN ROGAN.
3. Paragraph C. of ARTICLE II - CONDUCT OF WORK is changed by the deletion of the name of Henry Zuba; and substitution of the name of Carol Hendricks.
4. ARTICLE VI - CONTRACT PERIOD is changed by the deletion of the completion date of "by January 31, 1979" and substituting the new completion date of on or before June 30, 1981.
5. Paragraph A. of ARTICLE VII - ESTIMATED COST AND PERFORMANCE SCHEDULE is deleted, and the following new paragraph is substituted:

"A. The maximum total costs for performing the tasks under this Contract is \$ 435,500 . This amount is based on the leasing to Gautreaux families under this Demonstration of a minimum of 375 units under the Section 8 Existing Housing Program. In the event units become available for occupancy by Gautreaux families during the term of this Contract under Section 8 New Construction and/or Substantial Rehabilitation Programs, the Section 8 Loan Management Set-aside Program, the Section 8 et-Aside Program for State Housing Finance and Development Agencies or Traditional Public Housing Program, then adjustments, if necessary, shall be made in accordance with the provisions of the "CHANGES" clause of the General Provisions."

6. ARTICLE XI - EVALUATION OF WORK is deleted in its entirety, and the following new article is substituted:

"ARTICLE XI - EVALUATION OF WORK

The GTR shall perform monthly evaluations of the Contractor's progress in meeting the HUD-approved leasing schedule of assisting 375 families (for purposes of the evaluation, and "assisted family" is one whose application has been accepted by a landlord and has been referred to a PHA). Monthly evaluation during the period January 1, 1980, through June 30, 1981, shall include a meeting with the Contractor to review its performance and all relevant factors affecting performance.

1. Progress in meeting the approved leasing schedule of the number of families to be assisted, which is 125 families June 30, 1980, 250 families by Dec. 31, 1980, 375 families by June 30, 1981;
2. The actual average cost per family assisted in relation to the approved budget;
3. Circumstances in the rental housing market which affect the Contractor's ability to secure the participation of owners, including, but not limited to, vacancy rates and the relation of actual market rents to HUD Fair Market Rents;

4. The location, size and accessibility of units made available by owners;
5. Unforeseen changes which make the program unacceptable to Gautreaux families (i.e., incidents of hostility with attendant unfavorable publicity which would adversely affect the number of Gautreaux families participating);
6. Circumstances in a PHA's administration of the program which affect the Contractor's ability to perform the Contract (i.e., slow payment of rents which makes owners disinclined to participate);
7. The ability of the Contractor to employ and retain staff at budgeted levels;
8. The ability of the Contractor to maintain high professional standards;
9. Other unforeseen factors not within the Contractor's ability to control which may affect the Contractor's ability to perform the Contract.

Based on the monthly evaluations, the Government may modify Attachment A, the Specification, pursuant to the provisions of the "CHANGES" clause of the General Provisions. Notwithstanding the foregoing, the Government shall not be precluded from making any other modifications during the term of this Contract pursuant to the authority of the "CHANGES" clause.

7. The following new article is added to the SCHEDULE:

"ARTICLE XIII - CONTRACT TERMINATION AND MODIFICATION

In accordance with the Letter Agreement of November 8, 1979, and notwithstanding any other provisions of this Contract, HUD may terminate or modify this contract at any time upon the termination of the Letter Agreement."

8. Paragraph I. Objectives, of the SPECIFICATIONS, ATTACHMENT A, is deleted in its entirety, and the following new paragraph is substituted:

" I. Objectives

The purpose of this Demonstration will be to assist 375 members of the plaintiff class (hereinafter referred to as "Gautreaux families") to obtain housing in existing buildings throughout the Chicago SMSA under the Section 8 Housing Assistance Payments Program - Existing Housing (hereinafter referred to as the Section 8 Existing Housing Program) and to assist an additional _____ Gautreaux families to obtain housing when units become available for occupancy in structures constructed or acquired throughout the Chicago SMSA under the Section 8 Housing Assistance Payment Program for New Construction and/or Substantial Rehabilitation (hereinafter referred to as the Section 8 New Construction and/or Substantial Rehabilitation Programs) as well as the Traditional Public Housing Program. The Demonstration will include the development of methods and procedures to accomplish the program and report on its progress. For the purpose of performing this Contract members of the plaintiff class shall consist of tenants of Chicago Housing Authority (CHA) family projects and applicants on the waiting list for admission to CHA family projects any time on or before Dec. 31, 1977."

9. Subparagraph b. of Paragraph B. Specific Tasks of the SPECIFICATIONS is deleted in it's entirety and the following new Subparagraph b. is substituted:

- "b. Employ the services of one or more realty specialists, or, enter into fee-for-service contracts with real estate brokers (Such fee-for-service contracts may not exceed \$18,000 during the period from January 1, 1980, through June December 31, 1980, and \$9,000, including any unutilized portion of the \$18,000, during the period from January 1, 1981 through June 30, 1981) as approved by the GTR to obtain participation in the Demonstration of owners and managers of as many housing units as is possible.
- i. Will make special efforts to obtain the participation of owners and managers of more than 500 units and of owners and managers of units with 3 or more bed rooms, including detached homes and townhouses.
 - ii. Personally solicit owners and managers to participate in the Demonstration.
 - iii. Utilize all commonly available resources (including newspapers) which list or provide information on rental units.
 - iv. Continue cooperative efforts with agencies of the Fair Housing Network and citizens and community groups including but not limited to real estate boards, property manager associations, real estate brokers, human relation commissions, the League of Women Voters and religious groups to locate owners and managers of single family and multifamily units willing to participate in the Demonstration."

10. Subparagraph c. of Paragraph B, Specific Tasks, of the SPECIFICATIONS is deleted and the following new Subparagraph c. is substituted:

"c. Unless otherwise approved by the GTR, the goals on a county-by-county basis for the number of units to be located for Gautreaux families is as follows:

1. The 375 units of existing Housing Assistance will be in an approximate allocation of 110 units for Cook County, 105 units for DuPage County, 15 units for Kane County, 30 units for Will County, 10 units for Lake County, -0- units for McHenry County, and 105 units for the City of Chicago."

11. Subparagraph 3. Notification of Gautreaux Families of Paragraph B, Specific Tasks, of the SPECIFICATIONS is deleted, and the following new Subparagraph is substituted:

"3. Notification of Gautreaux Families

Tasks 3.a. and 3.b. are continuing tasks initiated during the previous contract. These tasks will be reviewed and revised on the basis of that experience and continued with appropriate modifications for the remainder of the Contract period.

"a. Obtain from CHA a list of all tenants of CHA family projects and of all applicants on the waiting list for admission to CHA family projects on or before December 31, 1977.

- i. Initial mail notification to Gautreaux families of housing opportunities that may be available through this Demonstration may either be accomplished through periodic mailings or through a large mass mailing, subject to the approval of the GTR.
 - ii. Availability of housing opportunities to Gautreaux families may be advertised in newspapers of general circulation, subject to the approval of the GTR.
 - iii. Families who inquire on their own initiative may receive assistance, after confirmation of their eligibility from CHA lists.
- b. With the approval of the GTR, implement procedures to identify and establish an order of priority for assisting eligible Gautreaux families in selecting a rental unit."

12. Subparagraph d. Sequencing of Reports of Paragraph 8. Establish Procedures for Reporting on the Demonstration is deleted, and the following new subparagraph is substituted:

"d. Sequencing of Reports.

- i. To the extent possible from existing files, a report shall be submitted by March 15, 1980 for the period from November 12, 1977 through December 31, 1979.
 - ii. Beginning January 1, 1980 and thereafter monthly and cumulative (after the first month) reporting of totals for above items shall be submitted by the 15th day of the following month.
 - iii. For Tasks 8 a. iv. through 8. a. vi., the Contractor shall submit to HUD for analysis, copies of intake activity and Requests for Lease Approval for households for which any action has been taken during the month."
13. Block 21 of the contract Cover Sheet (Standard Form 26) is changed to show the new contract amount of \$935,500.

MODEL PROGRAMI. Purpose of Proposal

This proposal calls for the establishment of a model program to use the Section 8 Substantial Rehabilitation Program (24 C.F.R. Part 881) to increase housing choice for large families in the "General Area" and Revitalizing Area," as defined herein, of the Chicago SMSA. Under the model program, the "Applicant" and "HUD," as defined below, will cause a revolving fund to be established to provide "up front" costs to housing developers to facilitate the development of "mixed-income multifamily developments" and "small multifamily developments," as defined herein, to determine whether:

A. profit-motivated developers can successfully undertake and complete such developments within the time provided herein; and

B. such developers can gain community acceptance of such developments by working with community-based institutions and groups.

II. Definitions

A. "Applicant" means any eligible Community Development Block Grant ("CDBG") recipient applying for CDBG funds for the purpose of establishing the model program provided for herein.

B. "Consent Decree" means the consent decree entered on January __, 1981, in the "Gautreaux Case," as defined below.

C. "Developer" means the developer or developers selected by HUD, after consultation with the Applicant and counsel for plaintiffs in the Gautreaux Case, to carry out the obligations of the developer specified herein.

D. "Gautreaux Case" means Gautreaux et al. v. CHA, et al., 66 C 1459/60 in the federal District Court for the Northern District of Illinois, Eastern Division.

E. "Gautreaux families" means households headed by "eligible persons" as defined in the Consent Decree.

F. "HUD" means the United States Department of Housing and Urban Development.

G. "Mixed-income multifamily development" means a Section 8 Substantial Rehabilitation housing development referred to in paragraph 5.5.3 of the Consent Decree for which the sponsor agrees to enter into a Housing Assistance Payments contract for not less than approximately 20% nor more than approximately 35% of the units.

H. "Small multifamily development" means a Section 8 Substantial Rehabilitation multifamily housing development referred to in paragraph 5.5.3 of the Consent Decree containing no more than approximately 30 units.

I. Other terms used herein, including "General Area," "Revitalizing Area," and "large family," shall have the same meaning as such terms have in the Consent Decree.

III. Method

A. Applicant will take such actions as may be necessary, feasible and appropriate to facilitate the operation of this model program, including entering into appropriate facilitating agreements with HUD and the Developer, cooperating or working through a local development corporation, and providing CDBG funds to establish the revolving fund herein referred to and to provide for relocation of tenants displaced by housing developed under this model program.

B. HUD will take such actions as may be necessary, feasible and appropriate to facilitate the operation of this model program, including selecting the Developer hereunder, entering into appropriate facilitating agreements with the Applicant and the Developer, and providing:

(1) Priority processing for all mortgage insurance applications submitted by the Developer under this model program;

(2) Section 8 reservations needed for all developments hereunder to the extent provided under paragraph 5.5.3 of the Consent Decree; and

(3) A revolving fund of approximately \$565,000 from the CDBG funds applied for hereunder from which the Developer can draw for specified purposes to be agreed upon by HUD and the Developer. The following subparagraphs illustrate such purposes for a 200-unit proposal in three or more mixed-income multifamily developments or small multifamily developments. However, this illustration is not intended to determine the size of proposals which may be submitted and approved.

(a) \$440,000 to be reimbursed by the Developer to the Revolving Fund from the mortgage proceeds, or if unavailable from net syndication proceeds, and to be used as follows:

\$ 24,000	FHA application fees*
160,000	GNMA Tandem Commitment fees*
100,000	architectural fees
60,000	legal fees
96,000	option fees at \$40/unit/month for an average of 12 months per option

\$440,000 Total

(b) \$125,000 to be reimbursed by the developer to the Revolving Fund from net syndication proceeds, and to be used as follows:

\$100,000	salaries & fringes for 1 full-time professional and half-time clerical at \$4,000/month for 21 months**
24,200	developer's overhead (including program share of rent; telephone, photocopy, local travel, program legal and accounting, etc.) at approxi- mately \$1,150/month for 21 months**

\$125,000 Total

*These costs may be waived by HUD rather than included in revolving fund.

**Salaries, fringes and developer's overhead are monthly costs that the developer will incur only up to the time that Firm Commitments are obtained from HUD on all 200 units. If this occurs in less than 21 months, no further payments for developer's costs and overhead will be made. If, on the other hand, circumstances occur that are beyond the developer's control and have the effect of making it impossible to obtain Firm Commitments on all 200 units within the 21 months period, the revolving fund may be increased to permit additional payments for developer's costs and overhead, but only with the permission of HUD, in HUD's sole discretion, and with the concurrence of counsel for the plaintiff.

(c) The Revolving Fund shall be reimbursed from "distributable proceeds" prior to any profit allocated to the developer. "Distributable proceeds" shall mean all surplus mortgage proceeds and syndication proceeds not required to achieve initial and final closing on a given mortgage parcel.

C. The Developer will take such actions as may be necessary and appropriate to facilitate the operation of this model program, including entering into appropriate facilitating agreements with the Applicant and HUD, and performing the following actions:

- (1) Within approximately 21 months from the date of its selection hereunder, gain control of suitable land by option or purchase, and file applications for mortgage insurance and Section 8 contract authority.
- (2) Obtain an initial closing within the time provided in the firm commitment for mortgage insurance, or any extension thereof.
- (3) Reserve units for Gautreaux families in each development created under this model program in the number and bedroom sizes required by paragraph 5.5.4 of the Consent Decree.
- (4) Serve for 20 years, or such lesser period as agreed to by HUD and counsel for plaintiffs in the Gautreaux Case, as managing partner for the developments created under this model program in order to insure that the agreed upon units will continue to be made available to Gautreaux families and that the purposes of this model program continue to be implemented.
- (5) Reimburse the Revolving Fund out of the mortgage and syndication proceeds from each development all of the funds advanced to the developer by HUD for implementing this program or 25% of the net syndication proceeds from the developments hereunder, whichever is greater.

IV. Model Program Policies

The following policies will govern the operation of the model program:

IMPORTANT LEGAL NOTICE

TO: ALL TENANTS (PAST AND PRESENT) OF CHICAGO HOUSING AUTHORITY
PUBLIC HOUSING AND ALL PERSONS WHO HAVE FILED APPLICATIONS FOR
SUCH HOUSING

You are hereby notified that a hearing will be held on January 14, 1981 at 9:30 A.M. before the Honorable John Powers Crowley, Judge of the U.S. District Court for the Northern District of Illinois, Eastern Division, in Courtroom 2356, U.S. Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604.

The purpose of the hearing is to determine whether a proposed agreement to settle the lawsuit against HUD, commonly known as the "Gautreaux Housing Desegregation Case", is fair, reasonable and adequate. If the settlement is approved by the Court, the members of the plaintiff class, including yourself, will be bound by the settlement.

At a hearing on December 18, 1980, the Court found that the settlement proposal is one that, after a full hearing, it might approve. It also ordered that this notice of the January 14 hearing be sent to class members. The giving of this notice should not be understood to express any opinion by the Court on the merits of the claims or defenses asserted by any parties. This notice is for the sole purpose of informing all members of the class of the proposed settlement.

BACKGROUND

The Gautreaux lawsuit was begun in 1966 by the filing of a complaint against the United States Department of Housing and Urban Development ("HUD") and the Chicago Housing Authority ("CHA") on behalf of Black persons who live in or have applied for CHA non-elderly public housing in Chicago. The suit charged that CHA had discriminated against Blacks by avoiding the selection of housing sites in White neighborhoods, and that HUD had participated in this discriminatory conduct by funding CHA programs.

In 1969 the Court ruled that CHA had in fact discriminated, and ordered CHA, among other things, to build public housing in non-minority as well as minority neighborhoods of Chicago.

In 1971, HUD was also found to have engaged in unlawful discrimination. HUD was, therefore, ordered to use its best efforts to cooperate with CHA to produce more public housing in accordance with the Court's earlier orders. In 1976, the U.S. Supreme Court further held that the District Court had legal authority to order HUD to provide a remedy for the class in the metropolitan area outside the city limits of Chicago.

Following the Supreme Court decision, HUD agreed to establish a metropolitan remedial program which provides housing opportunities in federally assisted apartments throughout the six-county Chicago metropolitan area to plaintiff class families.

Recently a proposed Consent Decree was negotiated between lawyers representing HUD and lawyers representing the plaintiffs. If approved by the Court it would amount to a settlement of the plaintiffs' claims against HUD. The Decree does not affect previous or future proceedings against CHA, or CHA's duties under existing court orders.

THE PROPOSED DECREE

I. WHO IS ELIGIBLE FOR HOUSING UNDER THE DECREE?

The purpose of the proposed Consent Decree is to make available a certain number of federally assisted rental housing units to "eligible persons". Generally, these are non-elderly families who, at any time before HUD's obligations under the Decree terminate, lived in public housing in Chicago and persons who, before the signing of the Decree, filed applications for public housing and received a registration number from the Chicago Housing Authority (CHA). However, to know for certain whether you are an "eligible person" you must read the exact language of the decree.

YOUR EXISTING RIGHTS AS A PUBLIC HOUSING TENANT OR APPLICANT ARE NOT DIMINISHED BY THIS DECREE WHETHER OR NOT YOU ARE ELIGIBLE FOR THE SPECIAL REMEDY PROVIDED UNDER THE DECREE.

II. HOW DO ELIGIBLE PERSONS OBTAIN HOUSING UNDER THE DECREE?

A Chicago non-profit fair housing agency, the Leadership Council for Metropolitan Open Communities (Leadership Council), under contract with HUD, will identify eligible persons who wish to occupy the assisted housing to be made available under the Decree and will help them obtain the available housing.

After September 30, 1981, these services may be provided by an organization other than the Leadership Council.

III. HOW MUCH AND WHAT KIND OF HOUSING IS TO BE MADE AVAILABLE TO ELIGIBLE PERSONS UNDER THE DECREE?

Under the proposed Decree HUD has a duty to provide 7,100 non-elderly housing units assisted under the Section 8 or public housing programs in non-minority or revitalizing neighborhoods in the Chicago metropolitan area.

The 7,100 units are to be made available as follows:

First, HUD will require that 6% to 12% of the apartments in newly constructed or newly rehabilitated non-elderly assisted housing developed in the Chicago area be reserved for eligible persons.

Second, in addition to its normal allocations to the Chicago area, HUD will provide 150 extra Section 8 existing housing certificates and 350 extra new construction and/or substantial rehabilitation non-elderly units for the Chicago area for every year that the Decree is in effect.

All of the 350 extra new and substantial rehabilitation units will be counted toward the 7,100 units once they are occupied, whether or not they are occupied by eligible persons. The remainder of the 7,100 units are to be occupied by eligible persons.

How long it will take HUD to provide the 7,100 units will depend upon many factors that cannot be known, including the level of Congressional appropriations for assisted housing programs.

IV. WHAT ELSE SHOULD AN ELIGIBLE PERSON KNOW ABOUT THE DECREE?

A. Housing Location And Size Requirements

To increase housing choice throughout Chicago, Section 8 new construction and existing non-elderly housing must be located as follows: not less than one-third of the units of each type of housing allocated to the City in any year must be in the "General Area," which includes predominantly non-minority neighborhoods, and not more than one-third of the units of each type of housing may be in the "Limited Area," which includes predominantly minority neighborhoods. From zero to two-thirds of the units of each type of housing may be located in the "Revitalizing Area," which includes those Chicago neighborhoods with substantial minority population and undergoing substantial physical development.

The boundaries of these areas of the City were jointly worked out by HUD and the plaintiffs, taking into account the racial composition of census tracts since the 1970 census and the location of physical development activities. When the 1980 census data becomes available, and every two years after that, either HUD or lawyers for the plaintiffs may ask the Court to reclassify particular locations.

HUD will also require that at least 10% of all assisted non-elderly apartments in newly constructed or substantially rehabilitated buildings developed in the Chicago area be designed for large families.

B. Continuing Court Jurisdiction

At any time upon a showing of changed circumstances, lawyers for HUD or the plaintiffs may request the Court to enter further orders. After five years, either party may, without demonstrating changed circumstances, ask the Court to review the progress made in providing relief and modify or terminate the terms of the Decree.

If HUD wishes to approve Section 8 new construction or existing housing which does not comply with the location and size requirements described above, HUD may ask the Court to waive those requirements. Lawyers for plaintiffs are free to oppose any such requests.

HUD may approve assisted housing which does not comply with the requirements of the Decree ONLY if plaintiffs' lawyers agree in writing or if the Court so orders.

* * *

REMEMBER, this is only a summary, and not all provisions of the proposed Decree are mentioned in it. Complete copies of the proposed Decree, and a map of the areas of the City referred to above, are on file with the Clerk of the Court, United States District Court for the Northern District of Illinois, 20th Floor, 219 S. Dearborn St., Chicago, Illinois, and may be examined at his office.

THE HEARING

If you are satisfied with the proposed settlement, you need do nothing. Any member of the plaintiff class who objects to this settlement may appear in person or by counsel at the hearing to be held on January 14, 1981, to state why the proposed settlement should not be approved by the Court. If possible, any such person should first file a written statement of his or her views with Judge Crowley's Clerk, 219 S. Dearborn St., Suite 2356, Chicago, Illinois 60604, on or before January 13, 1981.

Instead of making an oral presentation, you or your counsel may file with Judge Crowley's Clerk at the above address, on or before January 13, 1981, a written statement explaining your objections.

Do not write or call Judge Crowley directly.

IF YOU HAVE ANY QUESTIONS about the Decree, come to an informational meeting at 407 S. Dearborn St., Room 1300, on one of the following dates: Tuesday, January 6 at 12 Noon; Wednesday, January 7 at 6:00 P.M.; or Thursday, January 8 at 12 Noon. Counsel for plaintiffs will be there to answer your questions.

UNITED STATES DISTRICT COURT
Northern District of Illinois

By: _____
H. Stuart Cunningham
Clerk of the Court

December 19, 1980

EXHIBIT Y

TO: ALL TENANTS (PAST AND PRESENT) OF CHICAGO HOUSING AUTHORITY PUBLIC HOUSING AND ALL PERSONS WHO HAVE FILED APPLICATIONS FOR SUCH HOUSING

A hearing will be held on January 14, 1981 at 9:30 A.M. before the Honorable John Powers Crowley, Judge of the U.S. District Court for the Northern District of Illinois, Eastern Division, in Courtroom 2356, U.S. Courthouse, 219 South Dearborn St., Chicago, Illinois 60604, for the purpose of determining whether the proposed agreement to settle the lawsuit, commonly known as the "Gautreaux Housing Desegregation Case," is fair, reasonable and adequate. If the settlement is approved by the Court, the members of the plaintiff class, including the persons to whom this notice is addressed, will be bound by it.

At a recent hearing the Court found that the settlement proposal is one that, after a full hearing, it might approve, and ordered that this notice be given. The giving of this notice should not be understood to express any opinion by the Court on the merits of the claims or defenses asserted by any parties, but is solely to inform all members of the class of the proposed settlement.

THE DECREE

The proposed settlement is in the form of a proposed Consent Decree negotiated between lawyers for HUD and lawyers for the plaintiffs. Under the proposed Decree HUD has a duty to provide 7,100 non-elderly housing units assisted under the Section 8 or public housing programs in non-minority or revitalizing neighborhoods in the Chicago metropolitan area. These units will be provided over a period of years principally to "eligible persons." Generally, these are families who, at any time before HUD's obligations under the Decree terminate, lived in public housing in Chicago and persons who, before the signing of the Decree, filed applications for public housing and received a registration number from the Chicago Housing Authority (CHA).

THE EXISTING RIGHTS OF PUBLIC HOUSING TENANTS OR APPLICANTS ARE NOT DIMINISHED BY THIS DECREE WHETHER OR NOT THEY ARE ELIGIBLE FOR THE SPECIAL REMEDY PROVIDED UNDER THE DECREE.

A Chicago non-profit fair housing agency, the Leadership Council for Metropolitan Open Communities (Leadership Council), under contract with HUD, will identify eligible persons who wish to occupy the assisted housing to be made available under the Decree and will help them obtain the available housing. After September 30, 1981, these services may be provided by an organization other than the Leadership Council.

In addition, to increase housing choice, all Section 8 new construction and existing housing in Chicago will be subject to the following locational requirements: not less than one-third of the units of each type of housing allocated to the City in any year may be in the "General Area," which includes predominantly non-minority neighborhoods, and not more than one-third of the units of each type of existing housing may be in the "Limited Area," which includes predominantly minority neighborhoods. From zero to two-thirds of the units of each type of housing may be located in the "Revitalizing Area," which includes those Chicago neighborhoods with substantial minority population and undergoing substantial physical development.

At any time upon a showing of changed circumstances, lawyers for HUD or the plaintiffs may request the Court to enter further orders. After five years, either party may, without demonstrating changed circumstances, ask the Court to review the progress made in providing relief and modify or terminate the terms of the Decree.

HUD may approve assisted housing which does not comply with the requirements of the Decree ONLY if plaintiffs' lawyers agree in writing or if the Court so orders.

* * *

This is only a summary, and not all provisions of the proposed Decree are mentioned in it. Complete copies of the proposed Decree, including a map of the areas of the City, are on file with the Clerk of the Court, United States District Court for the Northern District of Illinois, 20th Floor, 219 South Dearborn St., Chicago, Illinois, and may be examined at his office.

THE HEARING

If you are a member of the plaintiff class and are satisfied with the proposed settlement, you need do nothing. Any member of the plaintiff class who objects to this settlement may appear in person or by counsel at the hearing to be held on January 14, 1981, to state why the proposed settlement should not be approved by the Court. If possible, any such person should first file a written statement of his or her views with the Clerk of this Court, 219 South Dearborn St., Suite 2356, Chicago, Illinois 60604, on or before January 13, 1981.

Instead of an oral presentation, any class member may file with the Clerk of this Court at the above address, on or before January 13, 1981, a written statement explaining his or her objections.

ANY CLASS MEMBER WHO HAS QUESTIONS about the Decree should come to an informational meeting at 407 South Dearborn St., Room 1300 on one of the following dates: Tuesday, January 6 at 12 Noon; Wednesday, January 7 at 6:00 P.M.; or Thursday, January 8 at 12 Noon. Counsel for plaintiffs will be there to answer questions

UNITED STATES DISTRICT COURT
Northern District of Illinois

By: _____

H. Stuart Cunningham
Clerk of the Court