

Home Repair and Accessibility Program (“HRAP”)

52366

FUNDING AGREEMENT

This **FUNDING AGREEMENT** (this “Agreement”), is made and entered into as of the ___ day of March, 2023 (“Closing Date”), by and between **CITY OF PEORIA**, an Illinois Municipality (the “Sponsor”), and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** (the “Authority” or “IHDA”), a body politic and corporate of the State of Illinois (the “State”) established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the “Act”).

RECITALS:

A. IHDA is the program administrator of the Illinois Affordable Housing Program (the “Trust Fund Program”) authorized by the Illinois Affordable Housing Act, 310 ILCS 65/1 *et seq.*, as amended from time to time (the “Trust Fund Act”), and the rules promulgated under the Trust Fund Act (the “Trust Fund Rules”), as amended and supplemented; all capitalized terms used in this Agreement and not otherwise defined shall have the meanings established in the Trust Fund Act or, if not so established, in the Trust Fund Rules.

B. IHDA has issued, and the Sponsor has accepted, a conditional commitment letter dated January 25, 2023 (the “Commitment”), pursuant to which IHDA has agreed to make funds from the Trust Fund Program available to the Sponsor in the sum of **Three Hundred Thousand and 00/100 Dollars (\$300,000.00)** (the “Funds”) for Sponsor’s participation in the HRAP. Sponsor shall use the Funds to make forgivable mortgage loans (individually, a “Loan”, and collectively, the “Loans”) to certain Low Income Households (as defined in **Paragraph 9** hereof) and Very Low Income Households (as defined in **Paragraph 9** hereof) (the “Households”) in connection with making repairs for health, safety, energy efficiency, or accessibility (“Full or Accessibility Rehabilitation”), or if no Full or Accessibility Rehabilitation is necessary, for repairing or replacing the roof to mitigate damage or deterioration so that the home is insurable (“Roof Rehabilitation”) to approximately 12 single-family homes (the “Homes”), located in Peoria County, to be identified at a later date (the “Project”). All Full or Accessibility Rehabilitation and Roof Rehabilitation are collectively referred to as “Rehabilitation”.

C. As an inducement to IHDA to make the Funds available, the Sponsor has agreed to enter into this Agreement and consents to be regulated and restricted by IHDA as provided in this Agreement and in the Trust Fund Act, the Trust Fund Rules, the Act, and the rules, regulations, policies and procedures of IHDA promulgated under the Act, as amended and supplemented (the “Act Rules”). In addition, Sponsor acknowledges that it has received, reviewed and understands the HRAP Program Manual (as amended from time to time, the “Program Manual”). The Sponsor has agreed that, in addition to the provisions of this Agreement, it shall at all times comply with the requirements of the Program Manual. The Program Manual is incorporated into this Agreement by this reference.

NOW, THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **Incorporation**. The foregoing recitals are made a part of this Agreement.
2. **Agreement to Grant; Act and Regulations**. Subject to the Act, the Trust Fund Act, the Act Rules, the Trust Fund Rules, and this Agreement, IHDA agrees to grant to Sponsor and Sponsor agrees to receive from IHDA, **Three Hundred Thousand and 00/100 Dollars (\$300,000.00)**. The Sponsor agrees that at all times its acts regarding the Project shall conform with the Trust Fund Act, the Trust Fund Rules, the applicable provisions of the Act and the Act Rules, and the Program Manual.
3. **HRAP Requirements**. The Sponsor agrees that:
 - a. **Homes and Households**.
 - i. The Project includes a minimum of Twelve (12) Homes. Of this total, Twelve (12) Homes are expected to receive Roof Rehabilitation and Zero (0) Homes are expected to receive Full or Accessibility Rehabilitation. Sponsor should work to expend at least seventy percent (70%) of the Funds on Homes in the following census tracts from the 2010 US Census Tract Boundaries: Census Tract 2 in Peoria County, Census Tract 3 in Peoria County, Census Tract 5 in Peoria County, Census Tract 6 in Peoria County, Census Tract 15 in Peoria County, Census Tract 16 in Peoria County, Census Tract 18 in Peoria County, Census Tract 21 in Peoria County, Census Tract 22 in Peoria County, Census Tract 24 in Peoria County, Census Tract 25 in Peoria County, and Census Tract 50 in Peoria County.
 - ii. The Sponsor shall use the Funds to make Loans to Households identified and approved by the Sponsor to participate in the Project; each such Household shall be a Household whose income does not exceed the income limits for a Low Income Household or Very Low Income Household as of the date of the making of a Loan to such Household. Sponsor shall give a preference to Very Low Income Households.
 - iii. Homes to receive Full or Accessibility Rehabilitation must have documented health and safety issues or concerns (such as mechanical, electrical, structural, or plumbing issues or concerns that undermine the integrity of the home) or must need accessibility improvements to assist a disabled or mobility impaired Household member.
 - iv. Homes to receive Roof Rehabilitation must have no other significant documented health and safety issues and must be insurable once the roof replacement or repairs are complete as evidenced by a written policy by a licensed insurer. Roof Rehabilitation must include roof

repair; Roof Rehabilitation shall not include gutter and downspout repair only.

- v. All Homes receiving Rehabilitation must be single-family residences or a condominium unit and fall below the property value limit as further detailed in the Program Manual. Mobile homes must be on a permanent foundation and the homeowner must own the land underneath the mobile home. The Home homeowner must be current on their mortgage. The Home's homeowner must have fee simple ownership of the Home, and the property title must be free and clear of any tax liens or mechanics liens. Homes with sold taxes, pre-foreclosure case, or foreclosure cases are ineligible for the HRAP. The Home must be owner-occupied and the homeowner's sole residence. Provided however, a Home receiving Accessibility Rehabilitation (as defined hereinbelow) may be renter-occupied so long as all of the other requirements of this Agreement are met.
 - vi. The homeowner must have a current insurance policy on the Home prior to beginning any Rehabilitation. Sponsor shall ensure the insurance remains in place throughout the entire Rehabilitation process. The insurance policy covering the Home must list "Illinois Housing Development Authority" as an additional named insured, additional insured, or as a mortgagee.
- b. Use of Funds. The proceeds of the Funds shall only be used for Administrative Costs (defined hereinbelow) and to make Loans. Loans shall be used for hard and soft costs of Rehabilitation only. Funds may not be used for Rehabilitation of institutional properties; the Homes must be independently owned residences. In conjunction with the execution of this Agreement, the Sponsor shall execute and deliver to IHDA the sworn certification attached to this Agreement as **Exhibit A**. Each Loan shall be evidenced by a promissory note (individually, a "Note"), and shall be secured by a mortgage (individually, a "Mortgage") on the Home. The Sponsor shall use the form of Note and Mortgage attached to this Agreement as **Exhibits D and E**, respectively. Provided however, the Sponsor shall use the form Note and Mortgage attached to this Agreement as **Exhibits D-1 and E-1**, respectively, for any Loan for an Accessibility Rehabilitation of a renter-occupied Home.
- c. Provision of Mortgage and Note to IHDA. Sponsor shall cause the original executed Mortgage to be recorded in the Office of the Recorder of Deeds for the County in which the Home is located approximately halfway through the construction process. Upon Sponsor's receipt of the original, recorded Mortgage, Sponsor shall deliver to IHDA, via certified mail, the original executed Note and the original, recorded Mortgage. IHDA reserves the right to withhold any Disbursement for the Home this Agreement if Sponsor has failed to provide the original executed Note and the original, recorded Mortgage to IHDA.

- d. Income Calculator. The Sponsor shall complete the Electronic Income Calculator in the form attached to this Agreement as **Exhibit B** (as may be updated by IHDA from time to time, the “Income Calculator”) from each Household applying to participate in the Project prior to the making of a Loan to such Household. In the manner prescribed by IHDA, the Sponsor shall obtain written evidence substantiating the information given on each Income Calculator and shall retain such evidence in its files for five (5) years after the Termination Date (as defined hereinbelow). The Sponsor shall deliver an Income Calculator, fully executed by the Household and any other documentation to support the income determination for the Household, as IHDA may require as part of the Pre-Approval as defined in **Paragraph 5** of this Agreement.

- e. Owner Agreement. Prior to the making of a Loan, Sponsor shall enter into a homeowner agreement (the “Owner Agreement”) with the Household in the form attached hereto as **Exhibit C**. Provided however, the Sponsor shall enter into a landlord agreement with the landlord in the form attached hereto as **Exhibit C-1** for any Loan made for a rental Household.

- f. Full or Accessibility Rehabilitation Loans. Each Loan for Full and Accessibility Rehabilitation shall (i) not exceed Forty-Five Thousand and 00/100 Dollars (\$45,000.00), (ii) bear no interest, and (iii) have a term of five (5) years beginning after the Project Completion Certificate (as defined in the Project Manual) is signed (as applicable, the “Term”). Loans must be for a minimum of Two Thousand and 00/100 Dollars (\$2,000.00). Sponsor may use part of the Funds to cover their project delivery costs (“Project Delivery”) in an amount of no more than fifteen percent (15%) of the Loan for that Home; the maximum amount of Project Delivery allowed per Home is Six Thousand Seven Hundred Fifty and 00/100 Dollars (\$6,750.00). The Project Delivery shall be separate from the Loan. The maximum amount of Funds spent per Home receiving a Full or Accessibility Rehabilitation Loan is Fifty-One Thousand Seven Hundred Fifty and 00/100 Dollars (\$51,750.00). If at least thirty percent (30%) of the Loan for a Home is for accessibility related repairs and improvements, that Home shall be qualified as an accessibility rehabilitation (“Accessibility Rehabilitation”). Sponsor is not required to, but may, complete Accessibility Rehabilitations.

- g. Roof Rehabilitation Loans. Each Loan to Households for Roof Rehabilitation shall (a) not exceed Twenty-One Thousand Five Hundred and 00/100 Dollars (\$21,500.00), (b) bear no interest, and (c) have a term of three (3) years beginning after the Project Completion Certificate (as defined in the Project Manual) is signed (as applicable, the “Term”). Loans must be for a minimum of Two Thousand and 00/100 Dollars (\$2,000.00). Sponsor may use part of the Funds to cover their Project Delivery in an

amount of no more than fifteen percent (15%) of the Loan for that Home; the maximum amount of Project Delivery allowed per Home is Three Thousand Two Hundred Twenty-Five and 00/100 Dollars (\$3,225.00). The Project Delivery shall be separate from the Loan. The maximum amount of Funds spent per Home receiving a Roof Rehabilitation Loan is Twenty-Four Thousand Seven Hundred Twenty-Five and 00/100 Dollars (\$24,725.00). To the extent Loan funds are available, Sponsors may transfer such available funds from Roof Rehabilitation to Full or Accessibility Rehabilitation if health and safety issues are discovered in the Home; however, these two rehabilitation options may not be combined, and the total Loan may not exceed Forty-Five Thousand and 00/100 Dollars (\$45,000.00) per Home.

- h.** Loan Forgiveness. Each Fully and Accessibility Rehabilitation Loan shall be forgiven at the rate of one-sixtieth ($1/60^{\text{th}}$) of the amount of each Loan at the end of each month throughout the applicable Term. Each Roof Rehabilitation Loan shall be forgiven at the rate of one thirty-sixth ($1/36^{\text{th}}$) of the amount of each Loan at the end of each month throughout the applicable Term. Provided, however, that if (x) the Home is sold or otherwise transferred other than by inheritance to a co-owner of the Home or by operation of law upon the death of a joint tenant owner or to a spouse as a result of a divorce of co-owners, or (y) the Home is no longer the principal residence of the Household, or (z) a refinancing of the Home resulting in the Household being allowed to receive a cash payment, the Household shall repay to the Authority the amount of the Loan reduced by one-sixtieth ($1/60^{\text{th}}$) or one thirty-sixth ($1/36^{\text{th}}$), as applicable, of that amount out of net proceeds for each full month the Household occupied the property.
- i.** Construction Management. The Sponsor shall act as construction manager with respect to the Rehabilitation of each Home, which role shall include the initial property assessment and inspection and rehabilitation work write-ups, procurement of applicable permits, and preparation and review of bids, construction inspections, draw inspections and final inspections. The Sponsor shall require that, for each Home, the Household and any contractor obtain and comply with all federal, State and local governmental approvals required by law.
- j.** Lead-Based Paint. The Sponsor shall comply with the lead-based paint requirements within the Program Manual, as may be amended from time to time, and other applicable federal, State and local laws regulating lead-based paint and lead-based paint hazards, for the Rehabilitation of each Home.
- k.** Property Standards. After completion of the Rehabilitation, all Homes must have no significant health or safety issues. Additionally, all Homes must meet all applicable Federal, State and local codes, and the IHDA Property Standards (available on the IHDA website).

4. **Additional Duties.** In addition to the other duties of the Sponsor set forth in this Agreement, the Sponsor shall comply with the following:

- a. **Record Retention Requirements.** Sponsor shall maintain, for a period of not less than five (5) years after the Termination Date (as defined in **Paragraph 11** hereof), adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all funds disbursed in conjunction with this Agreement. Sponsor shall make available this Agreement and all books, records and supporting documents related to this Agreement for review and audit by IHDA, the Auditor General, or the Attorney General or their designated agents or representatives. Sponsor shall cooperate fully with any audit conducted by IHDA, the Auditor General or the Attorney General and shall permit IHDA, the Auditor General or the Attorney General full access to all relevant materials. Sponsor further agrees that the failure of Sponsor to maintain the books, records, and supporting documents required by this Paragraph shall establish a presumption in favor of the State and IHDA for the recovery of any funds paid by the State or IHDA under this Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement.
- b. **Reports to IHDA.** From the Effective Date through the Termination Date, the Sponsor shall provide IHDA with the following reports:
 - i. *Annual Audited Financial Statements.*
 - a) The Sponsor shall provide IHDA with Audited Financial Statements (the “Financial Statements”) on an annual basis within one hundred eighty (180) days of the end of the prior fiscal year, unless otherwise agreed in writing by the Authority.
 - b) The Financial Statements must be prepared and certified by a Certified Public Accountant.
 - c) The Financial Statements shall provide a specific reference to the Funds provided to the Sponsor under this Agreement as well as all disbursements to the contractors engaged by Households that occurred during such fiscal year.
 - ii. *Quarterly Calls.* The Sponsor shall participate in quarterly check-in calls with IHDA. Quarters shall be determined using the Effective Date and not the calendar year.
- c. **Selection of Households.** In the selection of Households to participate in the Project, the Sponsor shall comply with the Participant Selection Plan prepared by the Sponsor and delivered to and approved by IHDA.

- d. Sponsor Insurance. Sponsor shall obtain a fidelity bond coverage or honesty insurance in an amount that is at least equal to the lesser of (i) the Funds, or (ii) One Hundred Thousand and No/100 Dollars (\$100,000.00), with the Authority named as an Additional Insured. Sponsor shall maintain the fidelity bond coverage or honesty insurance through the Termination Date.

5. Performance Benchmarks and Disbursement of Funds.

- a. “Disbursement” as used in this Agreement shall mean the disbursement of any of the Funds by IHDA to the Sponsor after the Closing Date.
- b. Benchmarks. To ensure the Funds are expended in a timely manner, Sponsor shall work to meet the performance benchmarks as follows: at least ten percent (10%) of the Funds expended by the end of quarter 2; at least thirty percent (30%) of the Funds expended by the end of quarter 4 (“One Year Benchmark”); and at least fifty percent (50%) of the Funds expended by the end of quarter 6. All quarters are based on the Effective Date, and not the calendar year. If Sponsor does not meet the One Year Benchmark, IHDA reserves the right to de-obligate the Funds. Any Funds not disbursed to or incurred by Sponsor as of the Termination Date, or on such earlier date that the Authority de-obligates the Funds as provided for herein, will not be available for Disbursement to the Sponsor and will be reallocated as IHDA determines in its sole and absolute discretion.
- c. Administrative Funds. Sponsor may use a maximum of five percent (5%) of the Funds for administrative costs (“Administrative Costs”) (as further described in the Program Manual); provided, however, that such administrative costs are eligible costs to be determined by IHDA in its sole discretion. On or within forty-five (45) calendar days of the Closing Date, IHDA will disburse fifty percent (50%) of the Administrative Costs to the Sponsor (“First Administrative Disbursement”). If Sponsor does not meet the One Year Benchmark, IHDA may, in its sole and absolute discretion, require a proportional repayment of the First Administrative Disbursement from the Sponsor. So long as Sponsor has performed satisfactorily under this Agreement and there is not currently a default under this Agreement, or an event but for the passage of time would constitute a default, IHDA will disburse the remaining fifty percent (50%) of the Administrative Costs to the Sponsor on or within forty-five (45) calendar days of the one (1) year anniversary of the Effective Date. If the Sponsor does not utilize the entirety of the Funds prior to the Termination Date, IHDA may, in its sole and absolute discretion, require a proportional repayment from the Sponsor of the Administrative Costs IHDA has disbursed.

- d. Rehabilitation Loan Funds: Home Pre-Approval. Sponsor must receive a pre-approval from IHDA for each Home (the “Pre-Approval”) before Rehabilitation may begin. Sponsor shall follow the pre-approval process and requirements detailed in the Program Manual. As part of the pre-approval process, Sponsor may request a one-time Disbursement in an amount up to twenty percent (20%) of the winning contractor bid amount for the Rehabilitation of that Home (the “Pre-Approval Payment”). IHDA shall review and approve or deny such a request as detailed in this Paragraph 5. If Rehabilitation of the Home is not completed prior to the Termination Date and/or if the Sponsor does not provide the Request for Disbursement as required by and defined in **Paragraph 5.e** below, Sponsor shall return the Pre-Approval Payment, in its entirety, to IHDA within thirty (30) days of the Termination Date.
- e. Rehabilitation Loan Funds: Home Final Payout Request for Disbursement. As a condition precedent to IHDA’s obligation to disburse proceeds of the Funds, within forty-five (45) days of completion of a Home Rehabilitation, Sponsor shall submit the original or copies of each of the below documents and instruments in form and substance satisfactory to IHDA (sometimes collectively referred to as a “Request for Disbursement”). Any Request for Disbursement submitted more than forty-five (45) days after completion of a Home Rehabilitation may be rejected by IHDA, in its sole and absolute discretion. All documents and instruments comprising a Request for Disbursement shall be submitted to IHDA at least twenty (20) business days prior to the date of any proposed Disbursement of the proceeds of the Funds. The following documents comprising the Request for Disbursement shall be duly completed, and signed and sworn to by the party or parties executing them:
- i. Sponsor’s Disbursement request summary, including all back-up documentation;
 - ii. A request for payment by the general contractor, in form and substance acceptable to IHDA, for each Home, executed by such general contractor and, if applicable, an architect’s certificate for payment executed by the architect for each Home; and
 - iii. All other documents, information and other items as may be reasonably required by IHDA.

In addition to the documents detailed in this **Paragraph 5.e**, IHDA shall have received the original Note and Mortgage, as required in **Paragraph 3**, in order to consider a Request for Disbursement as complete. This final Request for Disbursement should be for an amount equal to the Funds for the Loan and Project Delivery less those funds previously disbursed pursuant to Paragraph 5.b.

- f. IHDA Review. Within twenty (20) business days of a receipt of a complete and final Request for Disbursement, IHDA shall approve or reject the Request for Disbursement. If approved, the Authority shall notify the Sponsor and cause the Disbursement of the appropriate amount of funds to the Sponsor within fifteen (15) business days from the date of its approval. If the Request for Disbursement is rejected, the Authority shall give its reasons for such rejection in writing.
- g. Payment to Contractors. Within ten (10) business days from receipt of the proceeds of the Funds in connection with a Loan for the Rehabilitation of a Home, the Sponsor shall pay all contractors for all work performed on such Home; provided, however, that all such contractors have provided the Sponsor with partial or final lien waivers, as applicable, for such work. Notwithstanding the foregoing, if the Sponsor is unable or unwilling to pay the contractors by the date identified in the preceding sentence, the Sponsor shall immediately remit any unpaid funds to IHDA. The Sponsor agrees that any monies received from IHDA and awaiting disbursement to contractors shall be deposited and held in a non-interest bearing, FDIC-insured bank account.
- h. Bank Account. IHDA shall transfer the funds directly to a bank account (the “Bank Account”), established at a bank or other financial institution (“Bank”) selected by the Sponsor and acceptable to the Authority. The Sponsor shall provide evidence of the Bank Account to the Authority on a form acceptable to the Authority and shall include ACH instructions. The Sponsor shall be responsible for the management of the Bank Account, and shall cause the Bank to provide the Authority with copies of statements upon Authority request. The Sponsor is strongly encouraged to maintain the Bank Account as a separate account designated solely for the Program and the Authority reserves the right to require the Sponsor to do so. Any fees and costs charged or incurred by Bank in connection with the Bank Account shall be paid by the Sponsor.

6. Monitoring of Project by IHDA. IHDA shall have the right at any time during the Term of the Loan and for five (5) years thereafter, upon reasonable notice to the Sponsor, to inspect the books and records of the Sponsor relating to the Project and any Home in the Project.

7. Violation of Agreement. Upon learning of a violation of any of the provisions of this Agreement by the Sponsor, IHDA may give notice of such violation to the Sponsor, as provided in **Paragraph 17** hereof. If such violation is not corrected to the satisfaction of IHDA within thirty (30) days after the receipt of such notice, or within such further time as IHDA in its sole discretion permits, IHDA may declare a default under this Agreement, effective upon notice to the Sponsor, and upon such default IHDA may:

- a. Terminate this Agreement, cease disbursing the Funds and recover any unexpended Funds;

- b. Recover any Funds expended in violation of the provisions of this Agreement; and
- c. Exercise such other rights or remedies as may be available to IHDA under this Agreement, at law or in equity.

No waiver by IHDA of any breach of this Agreement shall be deemed to be a waiver of any other existing or subsequent breach of this Agreement. No delay in exercising, failure to exercise, or incomplete exercise by IHDA of any right under this Agreement shall operate as a waiver of such right or any other right. IHDA's remedies are cumulative and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of IHDA's other remedies.

8. Limitations on Use of the Project. All of the Homes shall be occupied by Low Income Households or Very Low Income Households.

9. Definitions. As used in this Agreement, the following terms shall have the following meanings:

- a. "Household" means a single person, family or unrelated persons living together who enter into an agreement with the Sponsor for the rehabilitation of a Home under the Project.
- b. "Low Income Household" means a Household whose annualized adjusted income is less than or equal to eighty percent (80%) of the area median income, adjusted for family size, as such annualized adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 and as reflected on the Income Calculator (the "Median AMI").
- c. "Very Low Income Household" means a Household whose annualized adjusted income is less than or equal to fifty percent (50%) of the Median AMI.

10. Certifications.

- a. Sponsor shall not, in the selection of Households for participation in the Project, in the provision of services in connection with the Project, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, age, disability, national origin, familial or marital status, unfavorable military discharge or because the prospective Household is receiving governmental rental assistance.
- b. Sponsor shall comply with all of the provisions of Paragraph 13 of the Act, Section 10(a) of the Trust Fund Act and all other provisions of federal, State

and local law relative to non-discrimination.

- c. The Sponsor agrees not to commit unlawful discrimination in employment in Illinois as that term is used in the Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*) and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination. The Sponsor agrees to comply with the applicable provisions of the Fair Housing Act (42 USC 3601 *et seq.*), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), the Illinois Environmental Barriers Act (410 ILCS 25), the Illinois Accessibility Code (71 Ill. Adm. Code 400), and all other applicable State and federal laws concerning discrimination and fair housing. The Sponsor further agrees to take affirmative action to ensure that no unlawful discrimination is committed.
- d. The Sponsor agrees and acknowledges that it is in compliance with and will remain in compliance with all federal and State laws, rules, and regulations required as a regular course of their business and pursuant to Act, the Act Rules, the Trust Fund Act, the Rules, and the Program, including, without limitation, compliance with applicable environmental and health and safety laws, rules and regulations. The Sponsor agrees and acknowledges that it is its responsibility to determine which laws, rules and regulations apply.
- e. Sponsor certifies that it is not barred from receiving funds under any federal program or any program of the State. In addition, Sponsor certifies that it is not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Sponsor and its affiliates acknowledge the Authority may declare this Agreement void if this certification is false or if Sponsor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt.
- f. Sponsor certifies that it is has not been convicted of bribery or attempting to bribe an officer or employee of the State in that officer's or employee's official capacity; nor has it made an admission of guilt of such conduct which is a matter of record but has not been prosecuted for such conduct. In addition, if Sponsor has been convicted of a felony, as least five (5) years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business.
- g. Privacy Act Certification.
 - (i) Sponsor certifies, to the best of its knowledge and belief, that the undersigned has adopted and implemented and will enforce an Information Security Policy ("Privacy Policy") that: (a) complies with the Gramm-Leach-Bliley Act (the "GLB Act"); (b) complies

with the Federal Trade Commission's established policies and procedures for safeguarding information for applicants' and individual participants ("Participants") of the Project (the "Safeguard Rule"); (c) includes appropriate measures to dispose of applicants' and Participants' information in compliance with the foregoing (the "Disposal Rule"); and (d) complies with the Personal Information Act (the "PIP Act") (the GLB Act, the Safeguard Rule, the Disposal Rule and the PIP Act shall be collectively referred to herein as the "Privacy Legislation").

- (ii) Sponsor additionally certifies, to the best of its knowledge and belief, that the undersigned's Privacy Policy: (a) creates a form of privacy notice that is in compliance with the Privacy Legislation ("Privacy Notice"); (b) requires that the Privacy Notice be delivered to all individuals prior to a relationship being established with and prior to the applicant disclosing any nonpublic personal information to the Sponsor regardless of whether or not a loan is extended to this individual; (c) directs that the Privacy Notice be sent by mail to the last known address or delivered in person to all of the existing Participants under the Project and yearly thereafter for the duration of the relationship with the Participants; (d) provides that if the Sponsor changes its Privacy Policy that the Sponsor will need to provide a new, revised Privacy Notice reflecting the changes to the Privacy Policy to the Participants; and (e) complies with all of the requirements set forth in that certain Notice Regarding Privacy Act delivered to the Sponsor by the Authority.
- (iii) Sponsor acknowledges that the certifications set forth in this **Paragraph 10.g** are material representations of fact upon which reliance was placed when this transaction was made or entered into. Submission of the certifications and the Notice Regarding Privacy Act, attached to this Agreement as **Exhibit F**, is a prerequisite for making or entering into this transaction.
- h.** Sponsor agrees to comply with the Drug Free Workplace Act (30 ILCS 580/1 *et seq.*). The Sponsor's Drug Free Workplace Certificate attached to this Agreement as **Exhibit G** is made a part of this Agreement.
- i.** In the event that IHDA provides Funds to the Sponsor in the amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) or more, Sponsor certifies that it shall comply with the Minorities, Females, and Persons with Disabilities Act (30 ILCS 575) regarding minority contracting and Section 2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105) regarding equal employment practices.

11. Effective Date and Termination. This Agreement shall become effective on March 15, 2023 (the “Effective Date”) and shall terminate, unless terminated sooner pursuant to **Paragraph 7** above, on March 15, 2025 (the “Termination Date”). All Loans shall be closed and all Rehabilitation shall be completed before the Termination Date. After the Termination Date, the Authority may make one (1) final Disbursement of Funds to Sponsor for the reimbursement of any costs actually incurred by Sponsor in relation to the Project. Any Funds disbursed by IHDA to the Sponsor remaining unexpended on the Termination Date shall be returned to IHDA within thirty (30) days after the Termination Date or the date upon which the obligations of Sponsor set forth herein are terminated, whether for violation of this Agreement as set forth in **Paragraph 7** above, or otherwise.

12. Amendment of Agreement. This Agreement shall not be altered or amended except by a written instrument signed by the Sponsor and IHDA.

13. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of its remaining portions.

14. Binding on Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Sponsor may not assign this Agreement, its right to the Funds, or any of its obligations under this Agreement without the prior written approval of IHDA.

15. Gender. The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

16. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision of the Agreement.

17. Notices. Notices under this Agreement shall be given as provided in **Exhibit H** attached to and made a part hereof.

18. No Personal Liability. No member, officer, agent or employee of IHDA, their successors and assigns, shall be liable personally concerning any matters arising out of or in relation to the undertakings or obligations set forth in this Agreement.

19. Indemnification of IHDA. Sponsor agrees to defend and indemnify and hold harmless IHDA from and against any and all damages, including, but not limited to, any past, present or future claims, actions, causes of action, suits, demands, liens, debts, judgments, losses, costs, liabilities and other expenses, including, but not limited to, reasonable attorneys’ fees, costs, disbursements, and other expenses, that the Authority may incur or suffer by reason of or in connection with the Project, except those caused solely by the gross negligence or willful misconduct of IHDA. Sponsor further agrees that IHDA, if it so chooses, shall have the right to select its own counsel with respect to any such claims and the indemnification contained in this **Paragraph 19** shall cover the costs, expenses and fees of any such counsel. The obligations of the Sponsor under this **Paragraph 19** shall survive the making of the Grants and Loans.

20. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument. As used herein, the term “counterparts” shall include full copies of this Agreement signed and delivered by facsimile transmission, as well as photocopies of such facsimile transmissions. IHDA reserves, in its sole and absolute discretion, the right to require original signatures or to rely on facsimile transmissions or photocopies of facsimile transmissions and the Sponsor, and any other party signing this Agreement, hereby waives any rights to object to the validity of their signature based upon IHDA’s determination as aforesaid.

21. Required HUD Provision. The restrictions contained in this Agreement shall automatically terminate if title to the mortgaged property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary of the United States Department of Housing and Urban Development.

REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers.

IHDA:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____
Kristin Faust, Executive Director

Approved as to form:

By: _____
Maureen G. Ohle, General Counsel

By: _____
Edward Gin, Chief Financial Officer

SPONSOR:

CITY OF PEORIA,
an Illinois Municipality

By: _____
Name: Patrick Urich
Its: City Manager

FEIN/TAX ID# _____

Exhibits:

- A. Illinois Affordable Housing Trust Fund Sponsor Certification
- B. Illinois Affordable Housing Trust Fund Income Calculator
- C. Form Owner Agreement
- C-1. Form Landlord Agreement
- D. Form Note
- D-1. Form Note - Landlord
- E. Form Mortgage
- E-1. Form Mortgage - Landlord
- F. Notice Regarding Privacy Act
- G. Drug Free Workplace Certificate
- H. Notices

EXHIBIT B

**ILLINOIS AFFORDABLE HOUSING TRUST FUND
INCOME CALCULATOR**

Community Affairs

2022 Income Calculator



INSTRUCTIONS

Navigate through this form's tabs, completing all yellow answer boxes as applicable. Complete one tab (*HH Member #*) per income- or assistance-earning household member 18 years and older. Report all types of income and assistance earned. If you need to report income or assistance for more than 8 household members, contact IHDA's Community Affairs Department. After reporting income, complete the **Adjusted Income** tab, and review the household's income eligibility on the **Eligibility + Signatures** tab. After obtaining all necessary signatures, return this completed form and all accompanying documents to the corresponding Trust Fund Program at the Illinois Housing Development Authority.

If you have questions, please contact your Program Officer.

INCOME LIMIT INFORMATION

County:
AMI% Limit:
Number of household members:

AMI Requirements by Program

Habitat for Humanity	Below 80% AMI
Home Accessibility Program	Below 80% AMI
Single Family Rehab	Below 80% AMI

PROPERTY VALUE INFORMATION

Current Property Value: Property Construction Type:

Note: The borrower's Current Property Value should also be entered in the "Purchase Price" data field in MITAS.

HOUSEHOLD INFORMATION

Total number of household members:

Household Member Status <i>(select one)</i>	Name:	Child Under 18	Full-Time Student 18 or Older	62 Years of Age or Older	Disabled
Borrower	<input type="text"/>	(Select)	(Select)	(Select)	(Select)
	<input type="text"/>	(Select)	(Select)	(Select)	(Select)
	<input type="text"/>	(Select)	(Select)	(Select)	(Select)
	<input type="text"/>	(Select)	(Select)	(Select)	(Select)
	<input type="text"/>	(Select)	(Select)	(Select)	(Select)
	<input type="text"/>	(Select)	(Select)	(Select)	(Select)
	<input type="text"/>	(Select)	(Select)	(Select)	(Select)

Note: If applicable, only one Co-Borrower may be included per household.

EXHIBIT C
FORM OWNER AGREEMENT
(SEE ATTACHED)

EXHIBIT C-1

FORM LANDLORD AGREEMENT

(SEE ATTACHED)

EXHIBIT D

FORM NOTE

***(SEE EXHIBIT A TO
OWNER AGREEMENT)***

EXHIBIT D-1

FORM NOTE – LANDLORD

***(SEE EXHIBIT A TO
LANDLORD AGREEMENT)***

EXHIBIT E

FORM MORTGAGE

***(SEE EXHIBIT B TO
OWNER AGREEMENT)***

EXHIBIT E-1

FORM MORTGAGE – LANDLORD

***(SEE EXHIBIT B TO
LANDLORD AGREEMENT)***

EXHIBIT F

NOTICE REGARDING PRIVACY ACT

_____, 2023

City of Peoria,
419 Fulton St
Peoria, Illinois 61602
Attn: Patrick Urich

Re: Trust Fund Program (STF-52366)

Dear Patrick Urich:

As you know, your organization is the sponsor (the “Sponsor”) pursuant to a Conditional Commitment Letter (the “Commitment”) and a Funding Agreement (the “Funding Agreement”) with the Illinois Housing Development Authority (the “Authority”) whereby the Authority will, subject to the terms of the Commitment and the Funding Agreement, make funds available to you as the Sponsor pursuant to the Trust Fund Program (the “Program”) for the State of Illinois, in order for the Sponsor to make loans (the “Financing”) to certain homeowners (the “Borrowers”).

This letter (“Letter”) is being sent in connection with **Paragraph C.9** of the Commitment and **Paragraph 10.g** of the Funding Agreement and constitutes notice from the Authority that the Sponsor is the responsible financial institution as defined under Gramm-Leach-Bliley Act (the “GLB Act”) under the Financing. The term “financial institutions” under the GLB Act is broadly defined and includes organizations that offer financial products, services or economic advisory services to individuals. The Federal Trade Commission has established rules that require financial institutions to give their applicants (the “Applicants”) and the Borrowers a privacy notice (the “Privacy Notice”) that explains the financial institution’s information collection and sharing practices. The Sponsor should not be sharing or disclosing nonpublic personal information about the Applicants and the Borrowers with non-affiliated parties except as is necessary to process and service the Borrower’s loan, as is necessary to effect, administer or enforce the Borrower’s loan, with the Applicant’s or Borrower’s consent, or as permitted or provided by applicable laws.

PROCEDURES TO BE IMPLEMENTED IMMEDIATELY

The Authority hereby requires the Sponsor to implement and maintain the following effectively immediately for all the Financing administered by the Sponsor on behalf of the Authority:

- A. Implement a Privacy Policy which is described in more detail below.
- B. Provide the Privacy Notice, an example of which is attached hereto and incorporated herein as **Exhibit A**, to all individuals who provide nonpublic information to the Sponsor, which would include all of the Applicants, regardless of whether or not a loan or grant is extended to this individual. The Privacy Notice should be delivered to the Applicants prior to a relationship being established between the Applicants and the Sponsor and prior to the Applicants disclosing any nonpublic personal information to the Sponsor.
- C. Send by mail to the last known address or deliver in person to all of the existing Borrowers under the Program and yearly thereafter for the duration of the relationship with the Borrowers.
- D. If the Sponsor changes its Privacy Policy, then the Sponsor will need to provide a new, revised Privacy Notice reflecting the changes to the Privacy Policy to the Sponsor's existing Borrowers.
- E. Prominently, clearly and conspicuously display the Privacy Notice in the Sponsor's office so it is visible to all Applicants and Borrowers. The Sponsor may want to increase the size of the font and make the Privacy Notice a poster size to make sure it is noticeable and that it can easily be viewed by all Applicants and Borrowers. *Please note that the display of the Privacy Notice does not eliminate the need for the Sponsor to also comply with paragraphs A, B, C and D above.*

INFORMATION ABOUT THE PRIVACY POLICY TO BE INSTITUTED BY THE SPONSOR

The Federal Trade Commission has also established policies and procedures for safeguarding the Applicants' and Borrowers' information (the "Safeguard Rule") as required by the GLB Act and also requires that financial institutions take appropriate measures to dispose of Borrower information (the "Disposal Rule"). The Personal Information Act (the "PIP Act") requires any entity that handles, collects, disseminates, or otherwise deals with nonpublic Applicant or Borrower information (collectively, "Borrower Information") provide notice of any breach of the security of Borrower information to that person. The Sponsor is subject to the requirements of the PIP Act because the Applicants and Borrowers provide the Sponsor with personally identifiable information and other information the Sponsor otherwise obtains about a Borrower in connection with providing a financial product or service to the Borrower. The GLB Act also requires financial institutions to establish and adopt an Information Security Policy

(“Privacy Policy”) to assure compliance with the GLB Act, the Safeguard Rule, the Disposal Rule and the PIP Act. This Policy is designed to:

- **Ensure the security and confidentiality of the Applicant and the Borrower Information.**
- **Protect against any anticipated threats or hazards to the security or integrity of such information.**
- **Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to Borrowers.**
- **Provide notice to Borrowers in the event a breach in the security protecting the information occurs.**
- **Properly dispose of any of the Borrowers’ information.**

The Sponsor is required to immediately adopt and institute a formal Privacy Policy. Attached as **Exhibit B** is a guideline that may assist the Sponsor in adopting its Privacy Policy. The attached form of Privacy Policy is only an example for the Sponsor and must be modified to conform with the Sponsor’s specific internal procedures in compliance with the GLB Act, the Safeguard Rule, the Disposal Rule and the PIP Act and as recommended by the Sponsor’s counsel.

DISCLAIMER

The Authority makes no representation or assurance to the Sponsor that the attached form of Privacy Notice and Privacy Policy conform with the requirements of the GLB Act, the Safeguard Rule, the Disposal Rule and the PIP Act, and if followed by the Sponsor is done so at the sole risk of Sponsor. Sponsor should consult its own legal counsel concerning the form of the Privacy Notice and the Privacy Policy it should adopt (the “Disclaimer”).

Remainder of Page Intentionally Blank; Signatures on Next Page

Please execute this Letter below to acknowledge the Sponsor's agreement to implement the foregoing procedures and the Sponsor's acknowledgement of the Disclaimer provided above.

Sincerely,

**ILLINOIS HOUSING DEVELOPMENT
AUTHORITY**

By: _____
Name: Kristin Faust
Its: Executive Director

The Sponsor by its signature below on this ____ day of _____, 2023, agrees to abide by and adopt the foregoing procedures and implement them immediately for the Program and acknowledges the Disclaimer provided above.

CITY OF PEORIA,
an Illinois Municipality

By: _____
Name: Patrick Urich
Its: City Manager

EXHIBIT A TO NOTICE REGARDING PRIVACY ACT

PRIVACY NOTICE

CITY OF PEORIA (“Sponsor”) would like to advise you of its privacy policies. Sponsor has collected non-public personal information from your application and consumer reporting agencies. This non-public personal information includes your address and other contact information, demographic background, loan status, family income, social security number, employment information, collection and repayment history, and credit history.

We disclose non-public personal information to third parties: only as necessary to process and service your loan; only as necessary to effect, administer or enforce your loan; with your consent; or as permitted or provided by applicable laws, including the Illinois Freedom of Information Act (“FOIA”) and the Privacy Act of 1974. Applicable laws permit disclosure to third parties for certain purposes. Examples of such disclosures include (i) disclosure in connection with enforcement purposes or litigation, audits or other investigations; (ii) to comply with proper requests under FOIA or other federal, state, or other local laws and regulations; and (iii) to federal and state agencies to the extent specifically permitted or required by law. We do not sell or otherwise make available any information about you to any third parties for marketing purposes.

We protect the security and confidentiality of non-public personal information by limiting and monitoring all physical access to sites where non-public personal information is kept. A complete copy of our written privacy policy is available upon request.

If we decide to change our privacy policy, we will provide you with a revised privacy policy containing such changes.

If you have any questions, please get in touch with _____,
_____, Phone Number: _____.

SPONSOR:

CITY OF PEORIA,
an Illinois Municipality

By: _____
Name: Patrick Urich
Its: City Manager

EXHIBIT B TO NOTICE REGARDING PRIVACY ACT

EXAMPLE OF A PRIVACY POLICY

The Federal Trade Commission has established policies and procedures for safeguarding Borrower information (the “Safeguard Rule”) as required by the GLB Act and also requires that financial institutions take appropriate measures to dispose of Borrower information (the “Disposal Rule”). The Personal Information Act (the “PIP Act”) requires any entity that handles, collects, disseminates, or otherwise deals with nonpublic Borrower information (collectively, “Borrower Information”) provide notice of any breach of the security of Borrower Information to that person. The Sponsor is subject to the requirements of the PIP Act because the Borrowers provide you with personally identifiable information and other information the Sponsor otherwise obtains about a Borrower in connection with providing a financial product or service to the Borrower.

The Sponsor hereby establishes and adopts the following Information Security Policy (“Privacy Policy”) to assure compliance with the GLB Act, the Safeguard Rule, the Disposal Rule and the PIP Act. This Policy is designed to:

- **Ensure the security and confidentiality of the Borrower Information.**
- **Protect against any anticipated threats or hazards to the security or integrity of such information.**
- **Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to Borrowers.**
- **Provide notice to Borrowers in the event a breach in the security protecting the information occurs.**
- **Properly dispose of any of the Borrowers’ information.**

A. DEFINITIONS

“*Borrower Information*” is defined as any record containing nonpublic, personally identifiable information, whether in paper or electronic, that the Sponsor obtains from an applicant, a Borrower, an employee or other third party, in the process of offering a financial product or service from the Sponsor; or such information about a Borrower provided to the Sponsor by another financial institution; or such information that the Sponsor otherwise obtains about a Borrower in connection with providing a financial product or service to the Borrower.

“*Non-Record Material*” shall mean (i) material not filed as evidence of administrative activity or for the informational content thereof; (ii) extra copies of documents preserved only for convenience of reference; (iii) stocks of printed or reproduced documents kept for supply purposes, where file copies have been retained for record purposes; (iv) books, periodicals, newspapers, posters, and other library and museum materials made or acquired and preserved solely for

reference or exhibition purposes; and (v) private materials neither made nor received by the Sponsor pursuant to state law or in connection with the transaction of the Sponsor's business. Duplicate files, copies, library materials, and stocks of obsolete blank forms or pamphlets originally intended for distribution are not considered to be official records or record copies.

“*Records*” mean all books, papers, maps, photographs, or other official documentary materials, regardless of physical form or characteristics, made, produced, executed, or received by the Sponsor in connection with the transaction of public business and must be preserved as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Sponsor.

“*Record Retention Policy*” means the Sponsor's record retention policy that provides guidance in establishing and maintaining an efficient records management program.

“*Service Providers*” mean all third parties who, in the ordinary course of the Sponsor's business, are provided access to Borrower Information.

C. THE INFORMATION SECURITY POLICY

The five elements of this Policy require the Sponsor to: (i) designate one or more employees to coordinate this Policy, (ii) identify reasonably foreseeable internal and external risks to the security, confidentiality and integrity of Borrower information, (iii) ensure that safeguards are employed to control the identified risks and that the effectiveness of these safeguards is regularly tested and monitored, (iv) select Service Providers that are capable of maintaining appropriate safeguards and require them, by contract, to implement and maintain such safeguards and (v) evaluate and adjust this Policy based on the results of the testing and monitoring, any material changes to operations, or any other circumstances that have or may have a material impact on this Policy.

1. Safeguard Program Coordinator

The Sponsor hereby designates _____ as the person who will be responsible for implementing and maintaining this Policy by the Sponsor (the “Safeguard Program Coordinator”). The responsibilities of the Safeguard Program Coordinator include, but are not limited to, the following:

(i) The Safeguard Program Coordinator must identify the individuals at the Sponsor's office who have access to Borrower Information and the Safeguard Program Coordinator must maintain a current listing of these individuals.

(ii) The Safeguard Program Coordinator must identify potential and actual risks to the security and privacy of Borrower Information, evaluate the effectiveness of current safeguards for controlling these risks, design and implement additional required safeguards and regularly monitor and test the application of this Policy.

(iii) The Safeguard Program Coordinator ensure that (i) adequate training and education programs are developed and provided to all employees with access to Borrower Information and that (ii) existing policies and procedures that provide for the security of Borrower Information are reviewed and adequate.

(iv) The Safeguard Program Coordinator must identify Service Providers with access to Borrower Information, ensure that these Service Providers are included within the scope of this Policy and maintain a current listing of these Service Providers.

2. Risk Identification and Assessment

Under the guidance of the Safeguard Program Coordinator, each employee or member of the Sponsor with access to Borrower Information must take steps to identify and assess internal and external risks to the security, confidentiality and integrity of the Borrower Information. At a minimum, such risk assessment must consider: (i) employee training and management, (ii) information systems, including network and software design, (iii) information processing, storage, transmission and disposal and (iv) detecting, preventing and responding to attacks, instructions or other systems failures. The Safeguard Program Coordinator must ensure that risk assessments are conducted at least annually and more frequently when needed.

Employee training and management include:

(i) checking references prior to hiring employees who will have access to Borrower Information;

(ii) asking every new employee to sign an agreement to follow the Sponsor's confidentially and security standards for handling Borrower Information;

(iii) training employees to take basic steps to maintain the security, confidentiality and integrity of Borrower Information, such as: (a) locking rooms and file cabinets where paper records are kept; (b) using password-activated screensavers; (c) using computer passwords with at least six characters long including numbers; (d) changing computer passwords periodically and not posting passwords near employees' computers; (e) referring calls or other requests for Borrower Information to the Safeguard Program Coordinator; and (f) recognizing any fraudulent attempt to obtain Borrower Information and reporting it to the Safeguard Program Coordinator;

(iv) reminding all employees of this Policy and the legal requirements;

(v) limiting access to Borrower Information to employees who have a business reasons for seeing it; and

(vi) imposing disciplinary measures for any breaches.

3. Borrower Information Safeguards and Monitoring

The Safeguard Program Coordinator must verify employees with access to Borrower Information design and implement reasonable safeguards to control identified risks to the security, confidentiality and integrity of Borrower Information and that the effectiveness of these safeguards is monitored regularly. Such safeguards and monitoring must include the following:

a. Employee Management and Training

Safeguards for information security include training of those individuals with authorized access to Borrower Information. The Safeguard Program Coordinator must work develop appropriate training and education programs for all affected current and new employees.

b. Records Safeguards

Safeguards for Records and Non-Record Material containing Borrower Information must include:

- (i) creating and implementing access limitation to Records containing Borrower Information;
- (ii) storing Records containing Borrower Information in a secure area with limited access;
- (iii) protecting Records containing Borrower Information from physical hazards such as fire or water damage;
- (iv) disposing of properly outdated records containing Borrower Information pursuant to the Secured Destruction of Borrower Information section of this Policy;
- (v) disposing of Non-Record Materials containing Borrower Information when they cease to be useful pursuant to the Secured Destruction of Borrower Information section of this Policy; and
- (vi) other reasonable measures to secure Records and Non-Record Materials containing Borrower Information during the course of its life cycle while in the Sponsor's possession or control.

c. Information Systems Safeguards

“Information Systems” include network and software design, as well as data processing storage, transmission and disposal. The Sponsor must implement and maintain safeguards to control the risks to Information Systems, as identified through the risk assessment process. Safeguards for the Information Systems must include:

- (i) creating and implementing access limitation to Information Systems that stores Borrower Information;
- (ii) using secure, password-protected systems within and outside the Sponsor for access to the Information Systems that stores Borrower Information;
- (iii) regularly obtaining and installing patches to correct software vulnerabilities;
- (iv) permanently removing Borrower Information from computers, diskettes, magnetic tapes, hard drives or other electronic media prior to disposal;
- (v) protecting the Information Systems from physical hazards such as fire or water damage;
- (vi) detecting, preventing and responding to network attacks or other Information Systems failures; and
- (vii) other reasonable measures to secure the Information System that stores Borrower Information during the course of its life cycle while in the Sponsor's possession or control.

4. SERVICE PROVIDERS

The Safeguard Program Coordinator must identify Service Providers with access to Borrower Information. The Safeguard Program Coordinator must ensure that reasonable steps are taken to select and retain Service Providers that are capable of maintaining appropriate safeguards for Borrower Information and must require Service Providers, by contract, to implement and maintain such safeguards.

5. MONITORING AND TESTING SAFEGUARDS

The Safeguard Program Coordinator must develop and implement procedures to test and monitor the effectiveness of information security safeguards. Monitoring levels must be appropriate to the probability and potential impact of the risks identified, as well as the sensitivity of the information involved. Monitoring may include sampling, systems checks, systems access reports and any other reasonable measure.

D. NOTICE OF A BREACH TO ILLINOIS BORROWERS

Following discovery or notification of a breach of the Sponsor's security of the Borrower Information, the Safeguard Program Coordinator shall notify Illinois residents at no charge that there has been a breach. The notice shall be made in the most expedient time possible and without unreasonable delay, consistent with any measures necessary to determine the scope of the breach and restore the reasonable integrity, security and confidentiality of the data system. The notice may be provided in writing or electronically so long as the electronic notice is consistent with

provisions regarding electronic records and signatures for notices legally required to be in writing pursuant to 15 U.S.C. § 7001.

If the Safeguard Program Coordinator notifies more than 1,000 persons of a breach of the security, the Safeguard Program Coordinator shall also notify all Borrower reporting agencies that compile and maintain files on Borrowers on nationwide basis, as defined by U.S.C. Sec. 1681a(p), of the timing, distribution and content of the notices. Such notices to the Borrower reporting agencies will not disclose the names or other personal identifying information of breach notice recipients.

The Safeguard Program Coordinator shall submit a report within five (5) business days of the discovery or notification of a breach of the security of the system data or written material to the Illinois General Assembly. Such report shall include: listing of the breaches; and outlining any corrective measures that have been taken to prevent future breaches of the security of the system data or written material. If the Safeguard Program Coordinator has submitted a report as described in this section, the Safeguard Program Coordinator shall submit an annual report listing all breaches of security of the system data or written materials and the corrective measures that have been taken to prevent future breaches.

E. SECURED DESTRUCTION OF BORROWER INFORMATION

The Sponsor shall dispose Properly Outdated Records and Non-Record Material containing Borrower Information in such a manner as to ensure the security and confidentiality of such information. Pursuant to the Disposal Rule, the Sponsor must take reasonable measures to dispose of Borrower Information to avoid the unauthorized use of, or access to, Borrower Information in connection with its disposal. Although the Disposal Rule does not mandate any one form of disposal, the Sponsor has determined that all shredding shall be done by an authorized vendor (the "Authorized Vendor"). Properly Outdated Records and Non-Record Material containing Borrower Information shall be placed in locked trash bins as located throughout the Sponsor when awaiting disposal by the Authorized Vendor. The Safeguard Program Coordinator shall arrange to have the locked trash bins picked up on a regular schedule. The Authorized Vendor shall transport the locked trash bins in a secure truck to the Authorized Vendor's off-site shredding facility. The Authorized Vendor shall shred the Properly Outdated Records and Non-Record Material containing Borrower Information by its shredding machine.

F. REVIEW AND ADJUSTMENT OF THIS POLICY

The Safeguard Program Coordinator must evaluate and adjust annually this Policy in connection with the results of the testing and monitoring described above, as well as any material changes to the Sponsor's operations, including changes in technology, the sensitivity of Borrower Information and any other circumstances that may reasonably impact this Policy. The Safeguard Program Coordinator and the Committee must review this Policy annually to assure ongoing compliance with GLB Act, the Safeguards Rule, the Disposal Rule, and PIP Act, and as well as consistency with other existing and future laws and regulations.

G. STRICT ADHERENCE TO THE INFORMATION SECURITY POLICY

Employees of the Sponsor are expected to become familiar with the Sponsor's policy regarding information security and to strictly adhere to the procedures outlined in this Policy.

CITY OF PEORIA,
an Illinois Municipality

By: _____
Name: Patrick Urich
Its: City Manager

EXHIBIT G

STATE OF ILLINOIS DRUG FREE WORKPLACE CERTIFICATE

This certification is required by the Drug Free Workplace Act (30 ILCS 580). The Drug Free Workplace Act, effective January 1, 1992, requires that no grantee or contractor shall receive a grant or be considered for the purposes of being awarded a contract for the procurement of any property or services from the State unless that grantee or contractor has certified to the State that the grantee or contractor will provide a drug free workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract or grant payments, termination of the contract or grant and debarment from contracting or grant opportunities with the State for at least one (1) year but not more than five (5) years.

For the purpose of this certification, “grantee” or “contractor” means a corporation, partnership, or other entity with twenty-five (25) or more employees at the time of the issuing of the grant, or a department, division, or other unit thereof, directly responsible for the specific performance under a contract or grant of \$5,000 or more from the State.

The contractor/grantee certifies and agrees that it will provide a drug free workplace by:

(a) Publishing a statement:

- (1) Notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the grantee’s or contractor’s workplace;
- (2) Specifying the actions that will be taken against employees for violations of such prohibition; and
- (3) Notifying the employees that, as a condition of employment on such contract or grant, the employee will:
 - A. abide by the terms of the statement; and
 - B. notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

(b) Establishing a drug free awareness program to inform employees about:

- (1) the dangers of drug abuse in the workplace;
- (2) the grantee’s or contractor’s policy of maintaining a drug free workplace;

- (3) any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) the penalties that may be imposed upon an employee for drug violations.
- (c) Providing a copy of the statement required by paragraph (a) hereof to each employee engaged in the performance of the contract or grant and posting the statement in a prominent place in the workplace.
- (d) Notifying the contracting or granting agency within ten (10) days after receiving notice under subparagraph (3) of paragraph (a) hereof from an employee, or otherwise receiving actual notice of such conviction.
- (e) Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by Section 5 of the Drug Free Workplace Act.
- (f) Assisting employees in selecting a course of action in the event drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.
- (g) Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

THE UNDERSIGNED AFFIRMS, UNDER PENALTIES OF PERJURY, THAT HE OR SHE IS AUTHORIZED TO EXECUTE THIS CERTIFICATION ON BEHALF OF THE DESIGNATED ORGANIZATION.

CITY OF PEORIA,
an Illinois Municipality

By: _____

Name: Patrick Urich

Its: City Manager

Date: _____

EXHIBIT H

NOTICE PROVISION

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

If to IHDA:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attention: Legal Department

If to Sponsor:

City of Peoria,
419 Fulton St
Peoria, Illinois 61602
Attn: Patrick Urich

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