

STF-50767

FUNDING AGREEMENT

This **FUNDING AGREEMENT** (this "Agreement"), is made and entered into as of the 31st day of March, 2014, by and **CITY OF PEORIA**, an Illinois unit of local government (the "Sponsor"), and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** ("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 "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 February 4, 2014 (the "Commitment"), pursuant to which IHDA has agreed to make funds available to the Sponsor in the sum of Two Hundred Seventeen Thousand Three Hundred Fifty and No/100 Dollars (\$217,350.00) (the "Funds") to make mortgage loans ("Loans") to certain Low Income Households (as defined in **Paragraph 9** hereof), Very Low Income Households (as defined in **Paragraph 9** hereof), and Extremely Low Income Households (as defined in **Paragraph 9** hereof) in connection with the making of health and safety repairs of nine (9) single family homes (the "Homes"), located in City of Peoria, Peoria County, Illinois, to be identified at a later date (the "Project"). The provision of the Funds shall be subject to the contingencies, terms and conditions set forth below.

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 that certain Trust Fund Emergency Repair Program Implementation Manual (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. **Act and Regulations.** 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. **Additional Covenants.** The Sponsor agrees that:

a. The Sponsor shall use the Funds to make Loans to Households (as defined in **Paragraph 9** hereof) identified and approved by the Sponsor to participate in the Project; each such Household, as provided in the Commitment, shall be a Household whose income does not exceed the income limits for a Low Income Household, a Very Low Income Household or an Extremely Low Income Household, as applicable, as of the date of the making of a Loan to such Household. The proceeds of the Loans shall be used only for the making of health and safety repairs of the Homes to be included in the Project. 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**.

b. The Sponsor shall obtain a certification of income (the "Certification of Income") in the form attached to this Agreement as **Exhibit B** 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 Certification of Income and shall retain such evidence in its files for three (3) years after the year to which such evidence pertains. At the end of each calendar year, the Sponsor shall certify to IHDA that, at the time of such certification and during the preceding calendar year, the Sponsor was in compliance with the requirements of this **Paragraph 3.b**. If at any time during the term of this Agreement, the Sponsor identifies that it is not or has not been in compliance with the requirements of this **Paragraph 3.b**, then the Sponsor shall give notice to IHDA of its failure to comply and shall describe the corrective action the Sponsor is taking or has taken.

c. INTENTIONALLY OMITTED.

d. Prior to the making of a Loan, Sponsor shall enter into a homebuyer agreement (the "Owner Agreement") with the Household in the form attached hereto as **Exhibit C**.

e. Prior to making a Loan, Sponsor shall deliver to IHDA a certification that each Homebuyer has completed pre-purchase counseling services, including a one-on-one component ("Certificate of Counseling"). Such counseling shall include pre-purchase counseling, ongoing budget assistance and post-occupancy counseling. In addition, Sponsor shall use best efforts to ensure that such counseling program meets the National Industry Standards for Homeownership Education and Counseling.

f. INTENTIONALLY OMITTED.

g. INTENTIONALLY OMITTED.

h. Each Loan shall (i) be in an amount not to exceed Twenty Thousand and No/100 Dollars (\$20,000.00); (ii) bear no interest, (iii) have a term of five (5) years (“Term”), and (iv) be forgiven at the rate of one-sixtieth (1/60th) of the amount of the Loan at the end of each month throughout the Term. Each Loan shall be payable in full upon the earlier of (w) sale or transfer of the Home, 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 (x) the Home is no longer the principal Home of the Household or (y) a refinancing of the Home resulting in the Homebuyer being allowed to receive a cash payment. Each Loan shall be evidenced by a promissory note (individually, a “Note”), and shall be secured by a second (2nd) position 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.

i. Rehabilitation Construction Manager. 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 and preparation and review of bids, construction inspections, draw inspections and final inspections.

j. Governmental Approvals. 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.

k. Lead Based Paint. Each Home shall comply with the Lead Poisoning Prevention Act, 410 ILCS 45, and any regulations promulgated thereunder, and the Lead-Based Paint Prevention Act, 42 USC 4821, *et seq.*, and its implementing regulations promulgated at 24 CFR Part 35, each as respectively amended from time to time, and other applicable federal, state and local laws regulating lead-based paint and lead-based paint hazards.

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. Audit. 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 of Illinois and IHDA for the recovery of any funds paid by the State of Illinois or IHDA under this Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement.

b. **Annual and Quarterly Financial Reports.** Within sixty (60) days following the end of each calendar year (*and for grants in excess of \$25,000, within thirty (30) days following the end of each calendar quarter*) during the term of the Project plus five (5) years, the Sponsor shall furnish IHDA with a complete report for the Project based upon an examination of the books and records of the Project, prepared in accordance with the requirements of IHDA, and particularly describing the progress of the Project and the expenditure of the Funds related thereto.

c. **Selection of Households.** In the selection of Households to participate in the Project, the Sponsor shall comply with the Participant Selection Plan delivered to IHDA pursuant to the Commitment and approved by IHDA.

5. **Disbursement of Funds.**

a. **Loans.** IHDA shall disburse Funds for a Loan on or after the date of closing for the Loan (the "Rehabilitation Closing Date") and upon the following conditions being met:

(i) The Sponsor has delivered a Certification of Income, fully executed by the Household, and any other documentation as IHDA may require to support the income determination for the Household;

(ii) Sponsor has delivered a fully executed Note and Mortgage, and all other documents and showings requested by IHDA or its counsel;

(iii) **Request for Disbursement.** As a condition precedent to IHDA's obligation to disburse proceeds of the Loan, IHDA shall be furnished with the original or copies of each of the following documents and instruments in form and substance satisfactory to IHDA (sometimes collectively referred to as a "Request for Disbursement"). All documents and instruments comprising a Request for Disbursement shall be submitted to IHDA at least ten (10) business days prior to the date of any proposed disbursement of the proceeds of the Loan. The following documents comprising the Request for Disbursement shall be duly completed, and signed and sworn to by the party or parties executing them:

a. Sponsor's disbursement request summary, including all back-up documentation;

b. An application for payment by the general contractor for each Home executed by such general contractor and, if applicable, an architect's certificate for payment executed by the architect for each Home;

c. Copies of building permits for any aspect of the Home issued since the date of the most recent disbursement and not previously furnished to IHDA, if any; and

d. All other documents, information and other items as may be reasonably required by IHDA.

Within ten (10) business days from receipt of the foregoing documents, the Authority 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 thirty (30) 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.

Within five (5) business days from receipt of the proceeds of the Loan in connection with 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 paragraph, 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.

(iv) Provision of Documents to IHDA. Sponsor shall, within ten (10) days of the Rehabilitation Closing Date, deliver to IHDA: (i) the Note; and (ii) the Mortgage. Sponsor shall cause the original, recorded Mortgage to be returned to IHDA, either directly from the Office of the Recorder of Deeds for the County in which the Home is located, or through the Sponsor.

(v) Separate 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.** Two (2) of the Homes shall be occupied by Extremely Low Income Households, three (3) of the Homes shall be occupied by Very Low Income Households and the remainder of the Homes shall be occupied by 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 acquisition 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 median income of Peoria County, 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.

c. "Very Low Income Household" means a Household whose annualized adjusted income is less than or equal to fifty percent (50%) of the median income of Peoria County, 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.

d. "Extremely Low Income Household" means a Household whose annualized adjusted income is less than or equal to thirty percent (30%) of the median income of Peoria County, 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.

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 they are 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. The Sponsor agrees and acknowledges that it is its responsibility to determine which laws, rules and regulations apply.

e. Sponsor is not barred from receiving funds under any federal program or any program of the state. In addition, Sponsor is not delinquent in the payment of any debt to the State of Illinois (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 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. Sponsor certifies, to the best of his or her 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").

Sponsor additionally certifies, to the best of his or her 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.

Sponsor acknowledges that this certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification, 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 the date and year first above written (the "Effective Date") and shall terminate on March 31, 2016 (the "Termination Date"). All Loans shall be closed before the Termination Date. Any funds remaining in unexpended on the Termination Date shall be returned to IHDA within forty-five (45) 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 parties to it.

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 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.

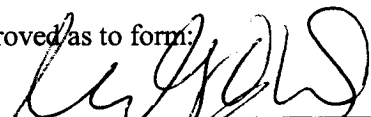
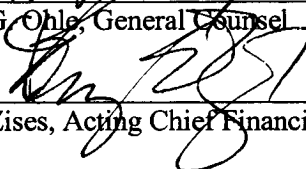
[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

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

IHDA:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By:  _____ n
Mary R. Kenney, Executive Director

Approved/as to form:
By:  _____
Maureen G. Ohle, General Counsel
By:  _____
Bryan E. Zises, Acting Chief Financial Officer

SPONSOR:

CITY OF PEORIA

By: _____
Its _____
FEIN/TAX ID# _____

Exhibits:

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

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

IHDA:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____
Mary R. Kenney, Executive Director

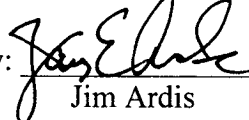
Approved as to form:

By: _____
Maureen G. Ohle, General Counsel

By: _____
Bryan E. Zises, Acting Chief Financial Officer

SPONSOR:

CITY OF PEORIA

By:  _____,
Jim Ardis
Its Mayor
FEIN/TAX ID# 37-6001761

Exhibits:

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

EXHIBIT A

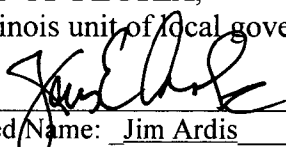
**ILLINOIS AFFORDABLE HOUSING TRUST FUND
SPONSOR CERTIFICATION**

As of the date set forth below, I, the City Manager of the City of Peoria, an Illinois unit of local government ("Sponsor"), hereby certify under oath and under penalty of perjury, that: (1) all information provided or set forth in the Funding Agreement dated March 31, 2014 and attached hereto (the "Agreement"), or upon which the Illinois Housing Development Authority has relied in determining to provide a grant of funds (the "Grant") to Sponsor pursuant to the Illinois Affordable Housing Act, 310 ILCS 65/1 *et seq.*, and the rules promulgated thereunder, both as amended and supplemented from time to time, is true and correct to the best of the Sponsor's knowledge, information and belief; (2) that the Grant provided under Agreement shall be used only for the purposes described in the Agreement; and (3) that the award of the Grant in accordance with the terms and provisions of the Agreement is expressly conditioned upon Sponsor providing this certification.

SPONSOR:

CITY OF PEORIA,
an Illinois unit of local government

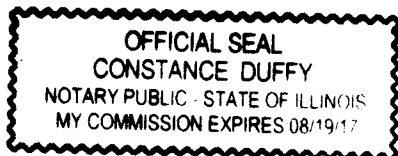
Date: 3/25/2014

By: 
Printed Name: Jim Ardis
Its: Mayor

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that James E. Ardis personally known to me to be the Mayor of Peoria, IL, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument in his/her capacity as Mayor of Peoria, IL, as his/her free and voluntary act and deed and as the free and voluntary act and deed of City of Peoria, as Mayor, for the uses and purposes therein set forth.

Given under my hand and official seal this 25th day of March, 2014.



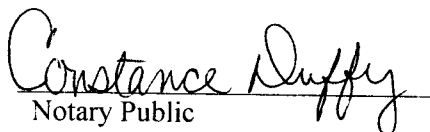

Notary Public

EXHIBIT B

**ILLINOIS AFFORDABLE HOUSING TRUST FUND
CERTIFICATION OF INCOME**

This form is to be submitted to the Illinois Housing Development Authority's Homeownership Department.

Program Sponsor and Address: _____
_____, Illinois

Program Name: _____

Homebuyer: _____

Address of Property: _____, _____, Illinois

Closing Date: _____

The undersigned certifies that:

1. This Certification of Income is being delivered in connection with the undersigned's application for funds from the Illinois Affordable Housing Trust Fund in the above referenced program.
2. The following individuals will occupy the unit:

<u>Occupant</u>	<u>Relationship</u>	<u>Age</u>
a. _____	Head of Household	___
b. _____	_____	___
c. _____	_____	___
d. _____	_____	___
e. _____	_____	___
f. _____	_____	___

3. The total annual household income as of the closing date listed above is: \$ _____

I certify that the information above is true and complete to the best of my knowledge on the date set forth below. If this Certification of Income is executed more than ninety (90) days prior to the closing date, I agree to update and recertify the accuracy of the information provided in this Certificate of Income within ninety (90) days of the closing date.

Applicant

Date: _____

Received by: _____
Program Administrator

Date: _____

EXHIBIT C

FORM OWNER AGREEMENT

(ATTACHED)

EXHIBIT D

FORM NOTE

STF-50767

PROMISSORY NOTE

U.S. \$ _____, 201_

FOR VALUE RECEIVED, the undersigned (“Borrower”) promise(s) to pay to the order of the **Illinois Housing Development Authority**, a body politic and corporate of the State of Illinois (“Noteholder”), the principal sum of _____ and No/100 Dollars (\$ _____) bearing no interest. The Promissory Note shall (iii) have a term of five (5) years (“Term”), and (iv) be forgiven at the rate of one-sixtieth (1/60th) of the amount of the Promissory Note at the end of each month throughout the Term. The Promissory Note shall be payable in full upon the earlier of (w) sale or transfer of the Home (as defined herein), 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 (x) the Home is no longer the principal residence of the Borrower or (y) a refinancing of the Home that is not a Permitted Refinancing as defined herein.

A “Permitted Refinancing” shall mean a refinancing that lowers the interest rate of the first mortgage loan on the Home, decreases its term or lowers the monthly payment of the loan; it does **not** include a refinancing that increases the outstanding balance of the first mortgage loan, increases the interest rate on the loan or allows the Borrower to receive money as a result of the refinancing. Any Permitted Refinancing must be approved by the Noteholder, in writing, in advance.

Any payments made under this Promissory Note are to be made at the Illinois Affordable Housing Trust Fund, P.O. Box 21412, Chicago, Illinois 60673, or such other place as the Noteholder may designate.

If suit is brought to collect the sums due under this Promissory Note, the Noteholder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorneys’ fees.

Presentment, notice of dishonor and protest are waived by all makers, sureties, guarantors and endorsers of this Promissory Note. This Promissory Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

Any notice to Borrower provided for in this Promissory Note shall be given by mailing such notice by certified mail, return receipt requested addressed to Borrower at the property address stated below, or to such other address as Borrower may designate by notice to the Noteholder. Any notice to Noteholder shall be given by mailing such notice by certified mail, return receipt requested, to:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Legal Department

or at such other address as may have been designated by notice to Borrower. Notice shall be deemed received two (2) days after the date of deposit in the United States mail.

This Note is secured by a [second (2nd)] [third (3rd)] [fourth (4th)] mortgage (“Mortgage”) from Borrower to Noteholder, of even date herewith, and evidences money borrowed by Borrower for the acquisition and permanent financing of the property described in the Mortgage (the “Home”). All of the covenants, additions and agreements contained in the Mortgage concerning future advances and acceleration of the indebtedness evidenced by this Promissory Note are incorporated in this Promissory Note.

Required HUD Provision. The restrictions contained in this Promissory Note 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.

Borrower

Borrower

Home address: _____,
_____, Illinois

EXHIBIT E

FORM MORTGAGE

**This Mortgage was prepared by
and after recording return to:**

**[Attorney Name]
Legal Department
Illinois Housing Development Authority
401 N. Michigan Avenue, Ste. 700
Chicago, Illinois 60611**

Property Identification No.:

Property Address:

_____, IL

[SECOND] [THIRD] [FOURTH] MORTGAGE

STF-50767

This **[SECOND] [THIRD] [FOURTH] MORTGAGE** (this "Mortgage") is made this ____ day of _____, 200_, by _____ ("Borrower"), to the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois ("Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of _____ and No/100 Dollars (\$_____.) (the "Loan"), which indebtedness is evidenced by Borrower's promissory note of even date herewith (the "Note");

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, the payment of all other sums advanced in accordance with this Mortgage to protect the security of this Mortgage, and the performance of the agreements of Borrower contained in this Mortgage; and (b) the repayment of any future advances made to Borrower by Lender pursuant to **Paragraph 6** ("Future Advances"), Borrower **MORTGAGES** to Lender the real estate legally described on **Exhibit A** attached to and made a part of this Mortgage, and located in the County of _____, State of Illinois (the "Real Estate");

TOGETHER with all the improvements now or hereafter erected on the Real Estate, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the Real Estate, all of which, including replacements and additions to them, shall be deemed to be and remain a part of the Real Estate. The Real Estate and the foregoing property located on it are referred to in this Mortgage as the "Property".

Borrower and Lender agree as follows:

1. **Payment of Principal.** Borrower shall promptly pay when due the principal amount of (i) the indebtedness evidenced by the Note, including any late charges, as provided in the Note, and (ii) any Future Advances and accrued interest on them that are secured by this Mortgage.
2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and **Paragraph 1** shall be applied by Lender first to any late charges due under the Note, second, to interest and principal on any Future Advances and third, to the principal due under the Note.
3. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property that may attain a priority lien over this Mortgage by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this **Paragraph 3**, and if Borrower makes payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien that has priority over this Mortgage, provided that Borrower shall not be required to discharge any such lien so long as Borrower agrees in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or in good faith contests such lien by, or defends enforcement of such lien in, legal proceedings that operate to prevent the enforcement of such lien, forfeiture of the Property or any part of it or the forfeiture of this Mortgage.
4. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured in a manner prescribed by the Senior Lender(s) (as defined in **Paragraph 16**).

All insurance policies and renewals of them shall include a standard mortgagee clause in favor of and in form acceptable to Lender. Borrower shall promptly furnish to Lender all renewal notices of such insurance policies and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss, if not made promptly by Borrower.

Subject to the rights of the Senior Lender(s), unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of that part of the Property damaged, if such restoration or repair is economically feasible and the security of this Mortgage is not impaired by such restoration or repair. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired by such restoration or repair, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to the Borrower. If the Property is abandoned by the Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of payments referred to in **Paragraph 1**, or change the amount of such payments. If, under **Paragraph 17**, the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies, and in and to the proceeds of them resulting from damage to the Property prior to the sale or acquisition, shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. **Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

6. **Protection of Lender's Security.** If Borrower fails to perform the agreements contained in this Mortgage, or if any action or proceeding is commenced that materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, building code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, and subject to the rights of the Senior Lender(s), upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this **Paragraph 6**, with interest on them, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment of them, and shall bear interest from the date of disbursement at the rate of five percent (5%) per year, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this **Paragraph 6** shall require Lender to incur any expense or take any action under this Mortgage.

7. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection.

8. **Condemnation.** Subject to the rights of the Senior Lender(s), the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part of it, or for conveyance in place of condemnation, are assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

9. Borrower Not Released. Extension of the time for payment of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest.

10. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy under this Mortgage, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The agreements contained in this Mortgage shall bind, and the rights under it shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of **Paragraph 17**. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions of this Mortgage.

13. Notice. Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Mortgage 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.

Borrower: _____

Lender: Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Legal Department

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

14. Borrower's Copy. Borrower shall be furnished with a conformed copy of the Note and of this Mortgage at the time of execution or after its recordation.

15. Transfer of the Property. If all or any part of the Property, or an interest in it, is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances or a transfer by operation of law upon inheritance or the death of a joint tenant or to a spouse as a result of a divorce of co-owners, all sums secured by this Mortgage shall be immediately due and payable. All sums secured by this Mortgage shall be immediately due and payable if the Property is no longer the principal residence of the Borrower or in the event of a refinancing of the Property that is not a Permitted Refinancing as defined herein.

A "Permitted Refinancing" shall mean a refinancing that lowers the interest rate of the first mortgage loan on the Property, decreases its term or lowers the monthly payment of the loan; it does **not** include a refinancing that increases the outstanding balance of the first mortgage loan, increases the interest rate on the loan or allows the Borrower to receive money as a result of the refinancing. Any Permitted Refinancing must be approved by the Lender, in writing, in advance.

16. Subordination. This Mortgage shall be subject and subordinate in all respects to (i) that certain mortgage dated as of _____, 201_ between Borrower and _____ (the "[First] Senior Lender"), recorded in Office of the Recorder of Deeds of _____ County (the "[First] Senior Mortgage"), securing a loan in the original principal amount of \$ _____; [and (ii) that certain mortgage dated as of _____, 201_ between Borrower and _____ (the "Second Senior Lender"), recorded in Office of the Recorder of Deeds of _____ County (the "Second Senior Mortgage"), securing a loan in the original principal amount of \$ _____ [; and (iii) that certain mortgage dated as of _____, 201_ between Borrower and _____ (the "Third Senior Lender"), recorded in Office of the Recorder of Deeds of _____ County (the "Third Senior Mortgage"), securing a loan in the original principal amount of \$ _____. The First Senior Lender [and the ,] Second Senior Lender [and the Third Senior Lender] are collectively referred to in this Mortgage as the "Senior Lenders"].

17. Acceleration; Remedies. Upon Borrower's breach of any of its agreements in this Mortgage, and/or a default, declared by the Senior Lender(s), continuing beyond all cure periods and permitting foreclosure under the [First] Senior Mortgage [and/or the Second Senior Mortgage] [and/or Third Senior Lender], Lender, prior to acceleration of the sums secured under

this Mortgage, shall mail notice to Borrower as provided in **Paragraph 13** specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, or foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of its right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default, or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at its option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect, in such proceeding, all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts and title reports.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings implemented by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums that would then be due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in **Paragraph 17**, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured by it shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security under this Mortgage, Borrower assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under **Paragraph 17** or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under **Paragraph 17** or abandonment of the Property, and at any time prior to the expiration of any period of redemption following a judicial sale, subject to the rights of the Senior Lender(s), Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

20. Assumption. This Mortgage may not be assumed.

21. **Total Indebtedness.** At no time shall the principal amount of the indebtedness secured by this Mortgage, excluding sums advanced to protect the security of this Mortgage, exceed the original amount of the Note.

22. **Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

23. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property to the extent permitted by law.

24. **Waiver of Statutory Rights.** Notwithstanding anything to the contrary contained in this Mortgage, to the extent permitted by law, Borrower (i) shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but waives the benefit of such laws; and (ii) expressly waives any and all rights of redemption under any order or decree of foreclosure of this Mortgage on behalf of Borrower, except decrees of judgment creditors of Borrower acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

25. **Occupancy by Mortgagor.** **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS MORTGAGE, BORROWER AGREES THAT MORTGAGEE MAY, AT ANY TIME OR WITHOUT NOTICE, ACCELERATE ALL PAYMENTS DUE UNDER THIS MORTGAGE, AND EXERCISE ANY OTHER REMEDY ALLOWED BY LAW FOR BREACH OF THE TERMS OF THIS MORTGAGE, IF BORROWER SELLS, RENTS OR FAILS TO OCCUPY THE PREMISES AS HIS OR HER PRIMARY HOME. BORROWER UNDERSTANDS THAT THE PROVISIONS OF THIS PARAGRAPH 25 ARE A CONDITION OF THE MAKING OF THE LOAN.**

26. **Illinois Mortgage Foreclosure Law.** If any provision in this Mortgage is inconsistent with any provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 *et seq.* (the "Foreclosure Law"), the provisions of the Foreclosure Law shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Foreclosure Law. If any provision of this Mortgage grants to Lender any rights or remedies upon default of the Borrower that are more limited than the rights that would otherwise be vested in Lender under the Foreclosure Act in the absence of that provision, Lender shall be vested with the rights granted in the Foreclosure Law to the fullest extent permitted by law.

27. **Non-Recourse.** Notwithstanding anything to the contrary contained in this Mortgage, for so long as Borrower is the fee owner of the Property, all of its liability under this Mortgage shall be limited to Borrower's interest in the Property. Lender waives any and all right to sue or recover against any other assets of Borrower. Notwithstanding the foregoing, if Lender incurs any damage arising solely from fraud by Borrower, or the misapplication of loan proceeds or condemnation proceeds (in a manner inconsistent with the requirements of this Mortgage), then Lender may look to other assets of Borrower.

28. Required HUD Provision. The restrictions contained in this Mortgage 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.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, Borrower has executed this Mortgage as of the date and year first above written.

Printed Name: _____

Printed Name: _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that

_____, personally known to me to be the same person(s) whose name(s) [is][are] subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that [he][she][they] signed and delivered the said instrument as [his][her][their] free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of _____, 201_.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that

_____, personally known to me to be the same person(s) whose name(s) [is][are] subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that [he][she][they] signed and delivered the said instrument as [his][her][their] free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of _____, 201_.

Notary Public

Exhibit E - Mortgage

Legal Description of Real Estate

EXHIBIT F

NOTICE REGARDING PRIVACY ACT

March 5th, 2014

City of Peoria
419 Fulton Street
Peoria, IL 61602
Attn: Michael Sims

Re: Trust Fund Program (STF-50767)

Dear Mr. Sims:

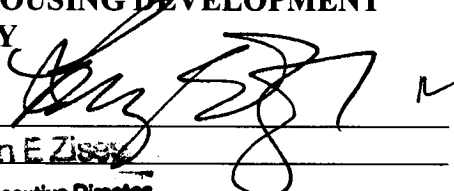
As you know, your organization is the sponsor (the "Sponsor") pursuant to a Conditional Commitment Letter (the "Commitment") and a Funding Agreement (the "Funding Agreement") with the Illinois Housing Development Authority (the "Authority") whereby the Authority will, subject to the terms of the Commitment 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 homebuyers (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.

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: Bryan E. Zisay
Its: Assistant Executive Director

The Sponsor by its signature below on this ____ day of _____, 2014 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

By: _____
Printed Name: _____
Title: _____

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: _____
Its: _____

The Sponsor by its signature below on this 25th day of March, 2014 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

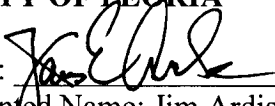
By:  _____
Printed Name: Jim Ardis
Title: Mayor

EXHIBIT A

PRIVACY NOTICE

_____ (“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:

By: _____
Printed Name: _____
Title: _____

EXHIBIT B

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, intrusions 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 confidentiality 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.

By: _____

Printed Name: _____

Title: _____

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.

Printed Name of Organization

Signature of Authorized Representative

Printed Name and Title

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
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Legal Department

If to Sponsor:

City of Peoria
419 Fulton Street
Peoria, IL 61602
Attn: Michael Sims

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.

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 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").

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