

**AGREEMENT BETWEEN THE CITY OF PEORIA, ILLINOIS**  
**AND**  
**THE PEORIA CITIZENS COMMITTEE FOR ECONOMIC OPPORTUNITY (PCCEO)**  
**FOR**  
**HOME PROGRAM FUNDS**

**REHABILITATION OF SINGLE-FAMILY HOUSING**  
**2408 N. DELAWARE AVE (14-34-302-009)**

**PROJECT # 16PC01**  
**IDIS # 4612**  
**Affordable Units to be Rehabilitated: 1**  
**Total Project Funding: \$121,626.00**

**Approved by the Peoria City Council on November 15, 2016**  
**Council Agenda Item #16-362**

This Agreement entered into by and between The City of Peoria ("City"), an Illinois municipal corporation and THE PEORIA CITIZENS COMMITTEE FOR ECONOMIC OPPORTUNITY ("PCCEO") a local nonprofit organization, on this 9 day of DECEMBER, 2016.

WHEREAS, the City is a recipient of funds from the United States Department of Housing and Urban Development ("HUD"), as administrator of the HOME Investment Partnerships Program ("HOME Program") pursuant to which HUD has agreed to make a grant to the City, the funds (as hereinafter defined) of which are used to create and preserve affordable housing for low-income individuals in the community;

WHEREAS, PCCEO has site control of the property at 2408 N. Delaware Ave. in Peoria, IL;

WHEREAS, PCCEO made application to the City for HOME funds in connection with the Partners for a Better East Bluff initiative funded in part with the National Foreclosure Settlement (NFS) funds from the Illinois Attorney General Office

WHEREAS, PCCEO will serve as the Developer for the rehabilitation of one (1) single-family residence that will provide affordable housing for a low-income household as a part of the Attorney General/Peoria LISC Initiative in the East Bluff;

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

- I. **RECITALS**. The foregoing recitals are made a part of this Agreement.
- II. **PURPOSE**. The purpose of this Agreement is to reimburse PCCEO for eligible project expenses it incurs in order to rehabilitate one (1) single-family residence as part of the Attorney General/Peoria PCCEO Initiative in the East Bluff. This Agreement and funds shall be subject to the terms and conditions of the HOME Investment Partnership Act [42 U.S.C. § 12701 *et seq*]

and the Code of Federal Regulations Title 24, Volume 1 [24CFR92.1 *et seq*]; Code of Federal Domestic Assistance 14.239.

III. **TERMS AND SECURITY.**

- A. For the purposes of this Agreement, the "HOME Affordability Period" shall mean fifteen (15) years from date of completion of Activity #2 described in Section IV.; the date the Project is identified as "completed" in HUD's Integrated Disbursement Information System.
- B. The term "Residence" shall mean single-family residential detached residences located within the corporate boundaries of the City.
- C. The term "Homebuyer", as defined by HUD, is an individual whose household has a gross annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the median income for the metropolitan statistical area or county.
- D. The term "funds" shall mean the One Hundred Twenty One Thousand Six Hundred Twenty Six Dollars(\$121.626.00) of HOME Program funds awarded to PCCEO.

IV. **SCOPE OF SERVICE.**

A. **Activities**

PCCEO shall be responsible for the rehabilitation of one (1) single-family residence, in a manner satisfactory to the City and consistent with any standards required by HUD as a condition of providing these funds. Such funds will include reimbursement for the following eligible activities under the HOME Program:

- Activity #1: The rehabilitation of one (1) Residence for the purpose of providing affordable housing for low- and moderate-income individuals and/or families. The completion of construction should occur within twelve (12) months from the execution of this Agreement.
- Activity #2: The sale of one (1) Residence to a low- or moderate-income individual/family according to all applicable HUD laws, regulations, and rules. This should occur within six (6) months from the completion of Activity #1 described above.
- Activity #3: The furnishing of information regarding the one (1) new Residence upon the City's request to ensure monitoring compliance with the applicable HUD laws, regulations, and rules concerning the HOME Affordability Period and guidelines.

B. **Performance Monitoring**

The City will monitor the performance of PCCEO according to the goals and performance standards contained in this Agreement. At least once a year the City may visit PCCEO on its site and review applicable records and procedures. Substandard performance as determined by the City will constitute non-compliance with this Agreement.

Participation in any prohibited activities as defined in 24 CFR 92.214 (a-b) shall constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by PCCEO within 60 days after being notified by the City, termination of the Agreement

will be initiated and all HOME Program funds, as defined in Section V. hereof, must be returned to the City.

C. Construction Monitoring

The City will monitor the performance of PCCEO regarding the rehabilitation and sale of one (1) Residence. The City reserves the right to review and approve all general contractors and sub-contractors that shall participate in the rehabilitation. No contractors can be utilized who are barred from participating in a HUD program.

PCCEO must rehab the Residence under this Agreement as Energy Star compliant and provide such certification to the City at property sale.

PCCEO will secure all appropriate building permits, zoning permits, and all required approvals from the City of Peoria. All plans must utilize new construction materials or equivalent grade materials as authorized by City staff.

During the construction phase of the project, PCCEO agrees to allow City staff access to the project at all reasonable times for the purpose of inspection. The primary purpose of the inspection will be to ensure that the new construction meets all applicable City, State of Illinois, and HUD property standards, codes, regulations, and laws. Moreover, PCCEO agrees to allow City Building Inspectors access for required building inspections such as, but not limited to plumbing and electrical inspections.

D. Labor Provisions

- i. *Davis-Bacon Federal Labor Act (40 U.S.C. 276a-276a-5)*: The rehabilitation of the one (1) Residence does not trigger the requirements of the Davis-Bacon Act. However, in accordance with the other financing sources for the Attorney General/Peoria PCCEO Initiative in the East Bluff, PCCEO has agreed to comply with the State of Illinois Prevailing Wage Act (820 ILCS 130/0.01) (from Ch. 48, par. 39s-0.01). PCCEO agrees to include the provisions of the State of Illinois Prevailing Wage Act in all contracts for the rehabilitation. Additionally, PCCEO agrees to provide records and reports of the prevailing wage compliance to the City upon request.
- ii. *Contract Work Hours and Safety Standards Act (CWHSSA), as amended (40 USC 327-333)*: The CWHSSA will apply to the rehabilitation of the one (1) new residence for the PCCEO project, as the project is considered a "federally assisted construction contract over \$100,000". PCCEO agrees to require contractors and subcontractors to pay laborers and mechanics employed in performance of the rehabilitation project one and one-half times their basic rate of pay for all hours worked over 40 in a workweek. In order to document compliance, the City will accept the U.S. Department of Labor Payroll (form WH-347). Additionally, in compliance with CWHSSA, PCCEO agrees to prohibit any unsanitary, hazardous, or dangerous working conditions at the project in accordance to the Federal Department of Labor's Occupational Safety and Health Administration (OSHA).
- iii. *Copeland (Anti-Kickback) Act (40 USC 276c)*: The Copeland Act will apply to the rehabilitation of the one (1) new Residence, as the project is considered a "federally assisted contract in excess of \$2,000". PCCEO agrees to prohibit contractors and subcontractors from in any way inducing an employee to give up any part of the compensation to which he or she is entitled under his or her contract of employment in performance of the rehabilitation project. In

- order to document compliance, the City will accept the U.S. Department of Labor Payroll (form WH-347).
- iv. *Fair Labor Standards Act (FLSA) of 1938, as amended (29 USC 201, et.seq.):* The FLSA will apply to the rehabilitation of one (1) new residence for the PCCEO project. PCCEO agrees to require contractors and subcontractors to pay Federal minimum wage for all workers and provide at least one and one-half times their basic rate of pay for all hours worked over 40 in a workweek. Additionally, PCCEO agrees to prohibit contractors and subcontractors from employing youth under the age of 18 for performance of the construction of the PCCEO project.
  - v. *Minority and Women Business Enterprise (MBE/WBE) and Local Workforce Utilization requirement:* PCCEO agrees to require its General Contractor and subcontractors to make a good-faith effort to employ MBE/WBE businesses and local workforce.
  - vi. *Section 3 of the Housing and Urban Development Act of 1968 (24 CFR 135):* Section 3 regulations will apply to the rehabilitation of the one (1) new Residence for the PCCEO project. PCCEO agrees to direct applicable employment and other economic opportunities, to the greatest extent possible, and consistent with existing Federal, State and local laws and regulations, to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

V. **PAYMENT.**

A. **Budget**

Please reference Exhibit A – “PCCEO Rehab Budget” and Exhibit B - “Total Development Budget”

<b>TOTAL BUDGET</b>	
Construction Materials and Labor, exclusive of general requirements and contractors profit	\$121,626.00
<b>TOTAL AWARD</b>	<b>\$121.626.00</b>

B. **Reimbursement Procedures**

It is expressly agreed and understood that the total amount to be reimbursed by the City under this Agreement shall not exceed One Hundred Twenty One Thousand Six Hundred Twenty Six Dollars (\$121,626.00).

It is noted that these funds are not equal to the total development costs of this project but will be layered in conjunction with AG NFS funds from LISC Peoria. Please see Exhibit C – “LISC PCCEO AG Agreement”

The City will reimburse PCCEO for eligible activity expenses as defined by 24 CFR Part 92.206, based upon program and budget information submitted by PCCEO, and consistent to City policy and procedures concerning reimbursement. The City will make reimbursements to PCCEO **after** satisfactory completion of the environmental assessment according to 24 CFR Part 92.352 (a-b).

PCCEO may not request the reimbursement of funds under this Agreement until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. PCCEO shall also secure all lien waivers prior to reimbursement for all suppliers and all trades. Such lien waivers may be subject to City review prior to reimbursement.

All reimbursements must be accompanied by corresponding documentation that shows amounts, items, descriptions and any other necessary information to demonstrate eligibility. Appropriate documentation includes, but is not limited to, a contractor’s affidavit or bill and proof of payment by PCCEO if already paid.

Specific questions regarding reimbursement documentation may be directed to the Community Development Director or his/her designee.

VI. **RESALE REQUIREMENTS.**

A. **Purchase Price Limits**

Pursuant to Section 92.254(a)(2)(iii) of the Final Rule of the HOME Program, HUD has established new homeownership value limits in place of the maximum Property Value Limit for a one-family dwelling, under the Federal Housing Administration (FHA) 203(b) schedule.

The purchase price limit for existing HOME units is 95 percent of the median purchase price for the Peoria area based on Federal Housing Administration (FHA) single family mortgage program data. The purchase price limit is issued annually by HUD; for 2016 the limit for existing homes is \$122,000 per property effective April, 2016.

The purchase price of the one (1) Residence for the PCCEO rehabilitation project will not exceed the annual purchase price limit issued by HUD. The City will provide the purchase price limit to PCCEO. PCCEO agrees to partner with the City to set the purchase price of the Residence in accordance with the property appraised value, Homebuyer's household income and HOME regulations.

PCCEO is a City-certified Community Housing Development Organization (CHDO). As such, PCCEO must use any sales proceeds for housing activities that benefit low-income families.

B. **Resale Provisions.**

At time of property sale, the City will execute a Homebuyer Agreement with the Homebuyer to secure the Affordability Period. The City has adopted a Resale Policy based upon the guidance found in Code of Federal Regulations Title 24, Section 92.254.

- a. The Homebuyer agrees, among other things, within the HOME Affordability Period, (a "Resale Event"): (i) to notify the City of any proposed sale of the Residence and (ii) to only sell, convey or otherwise transfer the Residence to a Low-income Buyer for a Sale Price that is affordable and provides a Fair Return on Homebuyer Investment (as hereinafter defined), excluding any one or more of the following (each, a "Permitted Transfer"): any sale, conveyance or transfer (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant owner, (C) by will to a Low-income Buyer, or (D) upon foreclosure, provided however the HOME Affordability Period has not expired and any resale of the Residence is to a Low-income Buyer who will occupy the Residence for the remainder of the HOME Affordability Period.
- b. In the event of a Resale Event to a Low-income Buyer, the Low-income Buyer shall occupy the Residence as his principal residence and assume the remaining Resale Provisions of the Residence until the expiration of the HOME Affordability Period. However, the original HOME Affordability Period can be terminated and a new HOME Affordability Period will begin if additional HOME Program funds are contributed to the Residence as a result of the Resale Event.
- c. For the purposes of this Agreement, the term a "Low-income Buyer" has a gross annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the median income for Peoria County, as determined by HUD. The "Sale Price" must be affordable to low-income buyers. In this instance, the affordable price results in a monthly housing cost for principal, interest, taxes and insurance of not more than 30% of the gross monthly income for a low-income

buyer. "Homebuyer Investment" shall be the sum of down payment and capital improvement investment made by the seller since the original purchase.

- d. At the time of resale, Net proceeds from the sale must provide the original homebuyer, now the home seller, a "fair return" on his/her investment (including any down payment and capital improvement investment made by the seller since purchase). The sales price may encompass the following in its formula:
  - i. The cost of any capital improvements, documented with receipts including but not limited to the following:
    1. Any additions to the home such as a bedroom, bathroom, or garage;
    2. Replacement of heating, ventilation, and air conditioning systems;
    3. Accessibility improvements such as bathroom modifications for disabled or elderly which were not installed through a federal, state, or locally-funded grant program; and
    4. Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.
  - ii. The increase in the value of owner equity and investment as calculated by the cumulative percentage of change which is calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency (X) plus 1.00 times the total owner investment at time of purchase (Y) plus the documented improvements as described above (Z).
    1. *(Example - Home purchased in 2000 for \$50,000. The HPI for 2000-2004 stayed the same at +.03 for each year, which calculates to a cumulative percentage of .12. To calculate "fair return" one must multiply \$50,000 x 1.12 = \$56,000, plus the documented improvements of \$4,000 would total \$60,000. The "fair return" to the seller would be the increase in value of \$60,000, minus the original investment of \$50,000 to equal a \$10,000 fair return.)*
- e. If none of the events described in clauses (a), (b), (c), or (d) above occurs prior to the expiration of the HOME Affordability Period, or if any sale, conveyance or transfer of the Residence occurs due to a Permitted Transfer, the provisions of the Homebuyer Agreement shall be forgiven in their entirety.

C. Residency Status. In accordance with Section 92.254, Title 24 of the Code of Federal Regulations, the Residence shall remain the principal residence of the Homebuyer throughout the HOME Affordability Period.

- a. The Homebuyer agrees, among other things, within the HOME Affordability Period: to not vacate and then lease the Residence.
- b. In the event that the Homebuyer should vacate and then lease the Residence within the HOME Affordability Period, the Homebuyer agrees, upon written demand from the City sent to the Homebuyer's last known address, to re-occupy the Residence within a reasonable time as determined by the City and remain in the Residence until the expiration of the HOME Affordability Period.
- c. If re-occupancy, described in clause b, does not occur the Homebuyer agrees to repay the total amount of the HOME funds invested in the property, as set forth in Section IV, A. Budget, to the City. The repayment shall become due and payable upon the City's demand.

If none of the events described in clauses (a), (b) or (c) above occurs prior to the expiration of the HOME Affordability Period, the provisions of the Homebuyer Agreement shall be forgiven in their entirety.

VII. **NOTICES.**

Communication and details concerning this Agreement shall be directed to the following representatives:

<u>CITY</u> Community Development Director (or his/her designee) City Hall 419 Fulton Street, Suite 300 309-494-8656	<u>PCCEO</u> McFarland Bragg President/CEO 711 W. McBean St.
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VIII. **GENERAL CONDITIONS.**

A. Hold Harmless

PCCEO shall hold harmless, defend, and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of PCCEO's performance or nonperformance of the services or subject matter called for in this Agreement.

B. Worker's Compensation

PCCEO shall provide Worker's Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

C. Insurance

1. General Coverage

PCCEO shall carry sufficient insurance coverage to protect contract assets, including but not limited to the property and the structure, from loss due to theft, fraud, and/or undue physical damage. PCCEO will ensure its contractors and other sub-contractors carry appropriate insurance. Minimum amounts of contractor's insurance are as follow:

<b>COVERAGE</b>	<b>BODILY INJURY</b>	<b>PROPERTY DAMAGE</b>
General Liability	\$300,000	\$100,000
Contractor's Liability	\$300,000	\$100,000
Automobile Liability	\$100,000/\$300,000	\$50,000
Workman's Compensation	Statutory Limits	-

All insurance policies must remain in full coverage until City Rehabilitation Staff sign off that the project is completed. Upon request by the City, PCCEO will provide the City with all required certificates and/or proof of insurance.

D. Amendments

The City or PCCEO may amend this Agreement at any time. Amendments must be executed in writing and signed by a duly authorized representative of both parties. Such amendments shall not invalidate this Agreement, nor relieve or release the City or PCCEO from its obligations under this Agreement.



The City may, in its discretion, amend this Agreement to conform with Federal, state, and local governmental guidelines, policies, and available funding amounts, or for other similar reasons. If such amendments result in a change in funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by the City and PCCEO.

The Agreement cannot be assumed by or assigned to another entity without written authorization and approval from the City.

**E. Suspension or Termination**

The City may suspend or terminate this Agreement, in whole or in part, if PCCEO materially fails to comply with any term of this Agreement, or with any of the rules, regulations, or provisions referred to herein; and the City may declare PCCEO ineligible for any further participation in the City's programs, in addition to other remedies as provided by law. In the event there is reason to believe PCCEO is in noncompliance with any applicable rules or regulations, the City will suspend ALL reimbursement of the said Agreement funds until such time as PCCEO is found to be in compliance by the City, or is otherwise adjudicated to be in compliance.

**F. Verification of Income**

The City will be responsible for verifying the Homebuyer's income. PCCEO shall use an application, approved by the City, for each potential homebuyer. The City shall determine the Homebuyer's income by examining documents such as wage statements, tax returns, interest statements, unemployment compensation statements, and Social Security statements that will be required attachments to the PCCEO application. Annual income shall be defined as it is in 24 CFR Part 92.203 (b)(3). Upon a Resale Event, The City shall re-certify the new Homebuyers' income.

Additionally, PCCEO shall maintain all client data demonstrating eligibility for services provided. Such data include, but is not limited to, client name, full address, elderly, head of household, income, race, and a description of service(s) provided. Such information shall be made available to the City or their designees for review upon request.

**IX. ADMINISTRATIVE REQUIREMENTS.**

**A. Financial Management**

PCCEO is serving as the Developer agrees to have financial management systems that meet the standards of 2 CFR Part 200.

**1. Internal Controls**

PCCEO shall have the following internal controls within its financial management system:

- An organizational chart setting forth the actual lines of responsibility of personnel involved in financial transactions;
- Written definition and delineation of duties among key personnel involved in financial transactions;

- An accounting policy and procedures manual that includes specific approval authority for financial transactions and guidelines for controlling expenditures, a set of written procedures for recording of transactions, and utilizes a chart of accounts;
- Separation of duties is adequate so that no one individual has authority over a financial transaction from beginning to end. In other words, one person should not have responsibility for more than one of the following functions:
  - Authorization to execute a transaction;
  - Recording of the transaction;
  - Custody of the assets involved in the transaction
- Hiring policies ensuring that staff qualifications are commensurate with job responsibilities
- Control over assets, blank forms and confidential documents so that these types of documents are limited to authorized personnel only.
- Periodic reconciliation of financial records to actual assets and liabilities.

## 2. Budget Controls

PCCEO shall have the following budget control within its financial management system:

- Maintain accounting records (as defined in subsection 3 below) for the amounts budgeted for eligible activities;
- Periodically compare actual obligations and expenditures to date against planned obligations and expenditures, and against projected accomplishments for such outlays;
- Report deviations from budget and program plans, and request approval for budget and program plan revisions.

## 3. Accounting Records

PCCEO shall have the following accounting records within its financial management system:

- Chart of accounts- a list of account names and the numbers assigned to each of the account names;
- Cash receipts journal- documents, in chronological order, when funds were received, in what amounts and from what sources;
- Payroll journals
- General Ledger- summarizing, in chronological order, the activity and financial status of all the accounts.

## B. Documentation and Record Keeping

### 1. Records to be Maintained

PCCEO shall maintain all records required by Federal regulations, specified in 24 CFR Part 92.508, that are pertinent to the rehabilitation project and the eligible costs to be funded under this Agreement. Such records shall include, but not be limited to:

- a. Records providing a full description of the project;
- b. Records required to document the eligibility of costs;
- c. Records required to document the eligibility of activities, specifically:
  - i. Records demonstrating that each individual/family is income eligible in accordance with 24 CFR Part 92.203;

- ii. Records demonstrating that each project meets the property standards of 24 CFR Part 92.251 and the lead-based paint requirements of 24 CFR Part 92.355;
- e. Records documenting compliance with Fair Housing and Equal Opportunity components of the HOME Program;
- f. Financial records as required by 24 CFR Part 84.21.

## 2. Retention

PCCEO shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the expiration of the HOME Affordability Period. If there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until the completion of the action and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

## 3. Audits and Inspections

PCCEO records with respect to any matters covered by this Agreement shall be made available to the City and its designees, or HUD and its designees, at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make copies of all relevant data. Any deficiencies noted in audit reports must be fully corrected by PCCEO within 30 days. Failure of PCCEO to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

In addition, PCCEO understands that all aspects of the sponsored activity(ies) or program will be open to inspection by employees or agents of the City, State and/or Federal governments.

## 4. Quarterly Reports

PCCEO shall submit a quarterly budget and report regarding the budget and expenditures of the PCCEO rehabilitation project. PCCEO will also submit a quarterly program report regarding the accomplishments of project. The reports shall be submitted to the Community Development Director (or his/her designee) no later than the 30<sup>th</sup> day following the end of each quarter as long as funds remain to be expended.

## X. **OTHER PROGRAM REQUIREMENTS.**

### A. Property Standards

The HOME assisted units must meet the property standards of 24 CFR 92.251, including compliance with all City of Peoria housing, budget and zoning codes. The units must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

### B. Conflict of Interest

PCCEO understands and agrees that no person, who is an employee, agent, consultant, or officer of PCCEO may obtain an interest, financial or otherwise, or benefit from a HOME assisted

activity or have any interest in any contract, subcontract, or agreement with respect to any HOME assisted activity pursuant to 24 CFR 92.356. This prohibition applies to employees, agents, consultants, or officers of PCCEO or those with whom they have family or business ties during their entire employment/business relationship with PCCEO and for one (1) year after the expiration of their employment/business relationship with PCCEO.

C. Nondiscrimination

PCCEO will not discriminate against anyone because of race, color, creed, religion, sexual orientation, ancestry, national origin, sex, disability, or other handicap, age, marital or familial status, or status with regard to public assistance. PCCEO will take affirmative action to insure that all practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. PCCEO agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

Specifically, PCCEO must show proof of valid City Equal Employment Opportunity Certification prior to any request for the reimbursement of funds.

D. Religious Organization

PCCEO agrees that funds provided under this contract will not be used for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR Part 92.257.

E. Prohibition Against hiring City Employees

PCCEO agrees, as a condition of accepting this Agreement with the City, that for a period of one year following completion of this Agreement, that it shall be prohibited from hiring, directly or indirectly, any City employee or official who was involved, directly or indirectly in: (1) the selection and/or recommendation to select PCCEO for performance of this Agreement; (2) coordinating the efforts of PCCEO in the consummation or completion of this Agreement; or (3) monitoring or determining the performance of PCCEO. PCCEO further acknowledges and agrees that upon the City's determination that a violation of this provision has occurred, the penalty imposed, at the sole discretion of the City, may include one or more of the following; (1) cancellation of any other contract(s) between the City and PCCEO; (2) disqualification of PCCEO from bidding or being awarded future contracts with the City for a period of 2 years; and/or (3) payment of liquidated damages to the City in the amount of \$25,000.

XI. **ENVIRONMENTAL REQUIREMENTS.**

A. Environmental Assessment

The City shall conduct an environmental assessment pursuant to 24 CFR, Part 58 prior to approving any requests for the release of funds by PCCEO. PCCEO understands and agrees that it may not receive any funds until the City has conducted an Environmental Assessment pursuant to 24 CFR Part 58 and approved accordingly.

B. Lead-Based Paint Requirements

PCCEO agrees to comply with the lead-based paint provision of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4821, et seq. and the lead-based paint requirements in 24 CFR Part 92.355 and 24 CFR Part 35.

XII. **SEVERABILITY.**

If any provision of the Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. **ENFORCEMENT OF THIS AGREEMENT.**

If PCCEO fails to comply with the requirements and covenants contained herein, the same shall constitute a breach of this Agreement and the City shall be entitled to all remedies under Illinois law at the time of the breach.

XIV. **SURVIVAL OF OBLIGATIONS.**

PCCEO's obligations as set forth in this Agreement shall survive the disbursement of the HOME funds and shall expire upon the expiration of the HOME Affordability Period, and PCCEO shall continue to cooperate with the City and furnish any documents, exhibits or showings as required.

XV. **WAIVER OF JURY TRIAL.**

THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PROJECT OR THIS AGREEMENT.

XVI. **LIABILITY OF CITY.**

In no event shall the City be liable to PCCEO for consequential or incidental damages, including, without limitation, lost profits, whatever the nature of the breach by the City of its obligations under this Agreement or in connection with the project, and PCCEO waives all claims for consequential and incidental damages and for all damages described in Paragraph XVII below.

XVII. **FUNDING.**

The parties acknowledge that the HOME funds are monies provided by HUD, and that the City is under no obligation to request such funds for any disbursement unless and until all necessary preconditions to disbursement have been satisfied to the City's satisfaction, and that significant time delays might result from the funding of such monies by HUD. Without limiting the generality of Paragraph XVI above, in no event shall the City be liable to PCCEO for any damages whatsoever which might result in whole or in part from any delays in funding.

[Signatures on Next Pages]

APPROVED AND EXECUTED AS OF THIS 9 DAY OF December 2016.

CITY OF PEORIA, an Illinois  
Municipal Corporation

By: *[Signature]* 12/9/16  
City Manager

PCCEO,  
a Local Non-Profit Organization

By: *[Signature]* 12-9-16  
ITS: President/CEO

Attest:

*[Signature]*  
City Clerk

Approved as to Content:

*[Signature]* 12-9-16  
Corporation Counsel

Approved as to Form:

*[Signature]* 12.09.16  
Community Development Department

**Local Initiatives Support Corporation  
East Bluff Neighborhood Acquisition/Rehab/Resale Program**

	<u>2408 N Delaware</u>		
Composition	2BR; 1 Bath		
Size	850		
Cost per Sq Ft.	187		
<b>Revenue</b>	<u>Total</u>	<u>AG Funds</u>	<u>HOME Funds</u>
AG Grant	37,692	21,500	
HOME Funds	121,626	0	121,626
<b>Total</b>	<u>159,318</u>	<u>21,500</u>	<u>121,626</u>
<b>Hard Costs</b>			
Property Acquisition	21,500	21,500	
Rehab Cost (Union/Prevailing Wages)	110,569		110,569
Contingency	10% 11,057		11,057
<b>Sub-Total - Hard Costs</b>	<u>143,126</u>	<u>21,500</u>	<u>121,626</u>
<b>Soft Costs</b>			
Closing costs	1,000	1,000	
Appraisal	550	550	
Insurance	1,044	1,044	
Utilities	130 780	780	
Real Estate Taxes	1,300	1,300	
Environmental/Lead Testing	2,500	2,500	
Developer Fee - 50% paid during construction	12% 9,018	9,018	
<b>Sub-Total - Soft Costs</b>	<u>16,192</u>	<u>16,192</u>	<u>0</u>
<b>Total Costs</b>	<u>159,318</u>	<u>37,692</u>	<u>121,626</u>
<b>Sales Proceeds</b>			
Appraised Value	55,000		
Sale of Housing Unit	55,000		
(Less) Selling Costs (percent)	6% (3,300)		
<b>Total Sales Proceeds</b>	<u>51,700</u>		

**EAST BLUFF DEVELOPMENT PRO FORMA  
SOURCES AND USES**

	New and Rehab Total	Behrends New Units:	Rehab Units:
<b>Number of Units</b>	14	6	8

**SOURCES OF FUNDS**

Sales Revenue - net of sales costs	949,400	535,800	413,600
AG Grant	1,175,000	750,000	425,000
City of Peoria - HOME	278,000	-	278,000
City of Peoria - CIP	280,000	280,000	-
Waived City Permits	15,000	15,000	-
LISC Grants	250,000	45,000	205,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,947,400</b>	<b>1,625,800</b>	<b>1,321,600</b>

**USES OF FUNDS**

<b>PRE-DEVELOPMENT COSTS</b>			
Architectural & Engineering (including site work)	53,000	32,000	21,000
Environmental	5,000	5,000	-
Platting & Surveying Services	3,500	3,500	-
Permits	15,150	15,150	-
Pre-Development Contingencies	5,000	5,000	-
Consultant Fees	25,000	25,000	-
<b>SUB-TOTAL PRE-DEVELOPMENT COSTS</b>	<b>106,650</b>	<b>85,650</b>	<b>21,000</b>
<b>ACQUISITION</b>			
Land/Acquisition	160,000	-	160,000
<b>SUB-TOTAL LAND COSTS</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>
<b>HARD COSTS</b>			
Direct Construction Costs	2,134,080	1,254,080	880,000
<b>SUB-TOTAL HARD COSTS</b>	<b>2,134,080</b>	<b>1,254,080</b>	<b>880,000</b>
<b>SOFT COSTS</b>			
<b>Professional Fees &amp; Other Soft Costs</b>			
Appraisal	7,400	3,000	4,400
Builders' Risk Insurance	12,600	5,400	7,200
Developer fees	299,320	167,800	131,520
LISC Construction Manager	28,000	12,000	16,000
Professional fees	45,000	25,000	20,000
Marketing	25,000	12,500	12,500
Property Insurance	14,000	6,000	8,000
Holding costs and contingencies	47,550	31,570	15,980
<b>Carrying &amp; Financing Costs</b>			
Construction Operating Costs (Utilities, taxes)	35,800	7,800	28,000
Construction Loan Fees	10,000	5,000	5,000
LOC Interest	8,000	4,000	4,000
<b>Closing Costs</b>			
Title Insurance	14,000	6,000	8,000
<b>SUB-TOTAL SOFT COSTS</b>	<b>546,670</b>	<b>286,070</b>	<b>260,600</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>2,947,400</b>	<b>1,625,800</b>	<b>1,321,600</b>
<b>COST PER UNIT</b>	<b>210,529</b>	<b>270,967</b>	<b>165,200</b>





September 8, 2016

McFarland Bragg, II, Executive Director  
Peoria Citizen's Committee for Economic Opportunity, Inc. (PCCEO)  
711 W. McBean Street  
Peoria, IL 61605-0123  
mabragg@pcceo.org

Re: LISC's Grant; Program Action No.: 45695-0013

Dear Mr. Bragg:

***This letter agreement supersedes and replaces the Letter Agreement between Local Initiatives Support Corporation and Peoria Citizen's Committee for Economic Opportunity, Inc. (PCCEO) dated August 4, 2016 and includes alterations to the purpose, an amended budget, changes to disbursement and reporting conditions and adjusted outcomes.***

I am pleased to inform you that Local Initiatives Support Corporation ("LISC") has approved a grant in the maximum amount of \$425,000 (the "Grant") to Peoria Citizen's Committee for Economic Opportunity, Inc. ("PCCEO" or the "Grantee" or "PCCEO"), the proceeds of which shall be used for the purposes set forth in Section 1, below. **Note that an original of this letter agreement ("Grant Agreement") must be signed by the Grantee and returned to LISC within thirty (30) days of the date of this Grant Agreement, in accordance with Section 35, below.**

The LISC Grant is being funded from monies that LISC will receive from the State of Illinois (the "State of Illinois"), represented by the Attorney General of the State of Illinois (the "Attorney General" or "AG"), pursuant to the distribution agreement by and between LISC and the State of Illinois attached hereto, and made a part of this Agreement as **Exhibit B** (the "State of Illinois Contract"). The State of Illinois Contract is being funded out of a national foreclosure settlement ("NFS") entered into with the nation's five (5) largest bank servicers regarding allegations of widespread robo-signing of foreclosure documents and other fraudulent practices while servicing loans of struggling homeowners. Under the State of Illinois Contract, LISC will receive funding to support efforts to mitigate the effects of Illinois' foreclosure crisis by (i) providing housing counseling services to renters and current and future homeowners; (ii) providing mortgage acquisition or restructuring support to families affected by foreclosure; (iii) investing in neighborhoods that have been destabilized by vacant and abandoned properties through collaborative partnerships; and (iv) providing expertise to groups working to provide housing counseling services or to revitalize neighborhoods. The State of Illinois Contract, and State of Illinois Attorney General (2014)

applicable regulations pertaining to the use of such funds provided to LISC thereunder, impose certain requirements on LISC and all recipients of State of Illinois Attorney General funds from LISC.

This Grant Agreement, **Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E, Attachment 1** (“Certification Regarding Debarment, Suspension And Other Responsibility Matters Primarily Covered Transactions”), **Attachment 2** (“Certification Regarding Lobbying”), **Attachment 3** (“Certification Regarding Drug-Free Workplace Requirements”), and **Attachment 4** (“Certification Regarding the United States Patriot Act”) to this LISC Grant Agreement, specifically attached hereto and made a part hereof, contain certain of those requirements and refer to other applicable provisions.

In order to receive the funding allocated in this LISC Grant Agreement, each recipient of State of Illinois Attorney General funds must submit completed certification forms regarding debarment and suspension, lobbying, drug-free work place, and the U.S. Patriot Act. The completed certifications (**Attachments 1 through 4**) must be returned along this LISC Grant Agreement, as indicated in Section 35, below.

The Grant is made available to the Grantee in accordance with the following terms and conditions:

- (1) **Purpose of the Grant.** The Grantee will use this Grant to catalyze the real estate development of the targeted investments in the East Bluff neighborhood of Peoria, Illinois. This Grant is being provided to launch the second phase of real estate development in the targeted East Bluff neighborhood and attract further investment. LISC is providing this Grant to PCCEO to acquire four of eight projected homes, coordinate inspections, prepare rehabilitation specifications, and renovate some of the homes, as needed (the “Project”). These housing units will not be presold but will be sold when rehabilitation is completed. PCCEO will have in possession no more than four homes at any given time and will bid the rehabilitation of the units to qualified contractors. Homes will be rehabilitated for sale to qualified homebuyers. Community partners, Navicore Solutions and METEC, are providing credit and housing counseling sessions in addition to education workshops to build a pipeline of qualified potential homebuyers. Houses funded with solely AG funds (non-federal funds) may be sold to buyers with incomes up to 150% of AMI.

The acquisition and rehabilitation components of the Project is for a total of eight units. The program will have several funding sources. The AG Grant will provide \$425,000 and the City of Peoria with HOME funds will provide another \$278,000 towards the total cost of the Project. This Agreement is for the use of AG funds only.

Community partners have collaborated to market the homes to prospective homebuyers. They are using the City of Peoria’s landlord registry to target current renters in the East Bluff to identify which renters are interested in becoming homeowners in the East Bluff. Professionals who work at the nearby hospitals will be targeted as well. The 150% or

below AMI affordability requirement will benefit these professionals and help bring in a mix of household incomes to the neighborhood. Up to three properties will be rehabbed using HOME funds and sold to buyers at 80% or below AMI.

Community partners are passing out flyers about the for-sale units at school district events including the school district's employee fair. Partners will be sending flyers to local churches and social services agencies to get the word out. In addition to passing out flyers, partners are planning three events including a housing fair to market the homes to potential buyers. This development project will be advertised on partners' websites, social media and the local community radio station. This robust marketing effort will help the units sell quickly. METEC and Navicore will market the units to potential clients from the Tri-County area.

The parties agree that Grantee shall use the net proceeds from the sales of each Property as an additional funding source for the Project.

PCCEO will purchase the first acquisition/rehabilitation property from the Peoria Opportunities Foundation "POF" which is on Delaware Avenue. The Grantee shall spend no more than \$120,000 per unit for both acquisition and construction/rehabilitation costs.

The LISC Grant funds shall be used for and the outcomes anticipated as a result of this Grant are:

Four (4) affordable housing units shall be acquired and up to three housing units shall be rehabbed by Grantee (each referred to hereinafter as a "House" or "Property", and collectively, referred to as the "Houses" or "Properties."). Other sources of funding, including HOME funds, will provide the remaining capital to complete the acquisition and rehab of the remaining units under this phase of the Project with a total of eight acquisition-rehabilitation for-sale housing units.

LISC is providing this Grant in furtherance of the Grantee's charitable purposes.

- (2) **The Grantee's Principal Contact at LISC.** The Grantee's principal contact person at LISC with respect to the Grant shall be Angela Bolden, Program Officer for LISC's Peoria Program ("Program Officer"). Unless otherwise indicated in this LISC Grant Agreement, all correspondence concerning said Grant should be addressed to her and include the Program Action Number stated above.
- (3) **Costs to be Paid with Grant Proceeds.** The Grantee hereby agrees to use the Grant proceeds only to pay the costs described in the budget attached hereto as **Exhibit A**, which have been or shall be incurred in support of the purpose of this Grant. LISC shall disburse proceeds of the Grant from time to time to the Escrow Account (as defined herein) in the form of separate disbursements ("Disbursements"), in accordance with the procedures and subject to the conditions set forth in **Sections 6, 7 and 8**, below. The

proceeds of each Disbursement: (i) shall be held in an interest bearing, money market account or another type of deposit account at Escrow Agent (as defined herein) as agreed to by LISC and Grantee (the "Escrow Account") pursuant to the Escrow Agreement (as defined herein) among LISC, Grantee and Escrow Agent; and (ii) shall be transferred to Grantee from time to time in the form of separate draws ("Draws"), as the construction and rehabilitation of the Property, in accordance with the procedures and subject to the conditions in **Sections 9** and **10**, below.

- (4) **Term of the Grant.** The Grant shall be available for the period beginning on June 1, 2016, and ending on **September 30, 2017** (the "Expiration Date") (the "Grant Term").
- (5) **Title Company/Escrow Agent Requirements.** If the Grantee is using funds under this Grant Agreement to acquire and rehabilitate real property, the Grantee shall engage a title company (the "Title Company" or "Escrow Agent") to establish a construction Escrow Account and to process the disbursement of State of Illinois Attorney General funds from the Escrow Account. All funds used to pay for hard and soft costs of acquisition, rehabilitation, and construction of real property shall be disbursed through the Title Company pursuant to a standard form of Title Company escrow agreement (the "Escrow Agreement"), in accordance with a standard form of an owner's sworn statement ("OSS") identifying the costs to be paid for with these funds and other sources, and pursuant to a standard disbursement process in which the Title Company collects lien waivers and/or invoices for all work funded through the Escrow Account, unless such requirements are waived by the State of Illinois Attorney General. The parties agree that the Title Company or Escrow Agent for the Project is Chicago Title Insurance Company.
- (6) **Delivery of Documents and Conditions to Initial Disbursement of the Grant.**

Prior to the initial disbursement of the construction grant funds, LISC shall retain \$25,000 for the construction contingency reserves for the Project. This amount shall only be disbursed to Grantee upon LISC's approval. Upon satisfaction of the conditions in this Section 6, LISC shall make an initial advance of Grant funds to the Grantee in the amount of one hundred fifty thousand dollars (\$150,000).

As conditions precedent to the obligation of LISC to fund the Grant, Grantee shall deliver or cause to be delivered to LISC, prior to the initial Disbursement of any Grant funds, the following documents, all of which shall be in form and substance acceptable to LISC:

- (a) Receipt by LISC in New York City of one of the enclosed originals of this LISC Grant Agreement, signed in accordance with **Section 35**, below.
- (b) The first disbursement of \$150,000 will be used by Grantee to finance pre-development costs including: architectural design, environmental assessments, fee, permits, acquisition and other related costs. Acquisition of each housing unit is subject to LISC's approval.

- (c) A wire transfer instruction letter from Grantee, substantially in the form provided by LISC, properly completed and duly executed by Grantee.
- (d) Such other additional documents and information and such other additional certificates and assurances as reasonably requested by LISC under the terms of this Grant Agreement, or otherwise.

(7) **Specific Conditions and Procedures for Subsequent Disbursements:**

- (a) For each Disbursement, LISC's Program Officer shall have received from Grantee at least three (3) business days before the requested date of disbursement, a Disbursement Request Form, substantially in the form provided by LISC, properly completed and duly executed by Grantee, with the following documents and items attached (in connection with the relevant phase of the Project as set forth below) and acceptable to LISC:

**Phase: Predevelopment & Acquisition**

- The Escrow Agreement, duly executed by LISC, Grantee and the Escrow Agent.
- A line-item breakdown of the use of the previously disbursed Grant proceeds.
- Copies of all invoices and bills.
- Such other additional documents and information and such other additional certificates and assurances as reasonably requested by LISC under the terms of this Grant Agreement, or otherwise.

In connection with the acquisition of each House, the following documents must be provided, as relevant:

- A line-item breakdown of the use of the Disbursement proceeds.
- An executed purchase agreement for each Property with required contingencies, including an environmental review, and subject to LISC's prior approval.
- A fair market appraisal or broker's price opinion verifying the value of each Property to be acquired, subject to LISC's approval.
- A lead-based paint and asbestos assessment for each House built before 1976. If there are any hazards that are found as a result of such assessment, Grantee shall provide LISC with detailed specifications for any mitigation of lead and asbestos, subject to LISC's approval.

- A title search and title commitment policy ensuring that each Property will be free and clear of liens upon closing.
- Prior to the closing on any acquisitions, an estimated budget and specifications for the acquisition, rehabilitation and carrying costs of each House.

Such other additional documents and information and such other additional certificates and assurances as reasonably requested by LISC under the terms of this Grant Agreement, or otherwise.

**Phase: Rehabilitation/Construction**

In connection with each House to be rehabilitated, the following documents must be provided, as relevant:

- A line-item breakdown of the use of the Disbursement proceeds.
- Copies of all building and other permits necessary for the construction work on the Property.
- A copy of an executed construction contract for each Property together with the name of the general contractor and the general contractor's qualifications indicating the contractor's ability to successfully complete the anticipated scope of work.
- Obtain owner's Sworn Statement from general contractor indicating compliance. Proof of Grantee's compliance with the Davis-Bacon and prevailing wage requirements.
- Completed and executed AIA Forms G706 and G706A for each draw (including mechanics lien waivers and affidavit of payment).
- Evidence of property (all risks) insurance providing coverage satisfactory to LISC.
- A certificate of general liability insurance providing coverage for the Property, naming LISC as certificate holder and additional insured.
- Copies of all invoices, permits and bills for the rehab/construction work in connection with each House.
- Information from Grantee regarding pending or approved change orders.
- A construction/architect inspection agreement between PCCEO and the construction/architect inspector for the Project ("Construction/Architect Inspector"), protecting the interest of PCCEO and LISC in form and substance satisfactory to LISC, pursuant to which Construction/Architect Inspector agrees to provide construction

inspection services to PCCEO with respect to the construction of the Property (the "Construction/Architect Inspection Agreement").

- Construction/Architect inspection approval and sign-off on each draw request.
- Title policy endorsements for each Disbursement verifying that each Property is free of liens.
- Partial and final release of liens from subcontractors provided by the contractor for the Project.
- Such other additional documents and information and such other additional certificates and assurances as reasonably requested by LISC under the terms of this Grant Agreement, or otherwise.

(b) Each Disbursement shall be subject to any other conditions reasonably required by LISC. After approval by LISC's Executive Director or Program Officer of the Disbursement Request Form and approval by LISC's Legal Department of all documents and items previously forwarded by LISC's Executive Director or Program Officer, and subject to all other conditions, the disbursement shall be made by wire transfer to the Escrow Account, for the execution of requests for draws by the Escrow Agent pursuant to the Escrow Agreement.

(c) Each Disbursement shall be subject to any other conditions reasonably required by LISC. After approval by LISC's Executive Director or Program Officer of the Disbursement Request Form and subject to all other conditions in this section, and in the section below, the disbursement shall be made by wire transfer.

(i) In accordance with the State of Illinois Contract, the Grant funds will be disbursed by LISC into an Escrow Account that has been set up for the Project.

(ii) For each Disbursement, the documents and items listed in paragraph 7(a), above, shall be forwarded by LISC's Executive Director or Program Officer to LISC's Legal Department for review and approval.

(iii) Each Disbursement and all required documents shall also be subject to the review and approval of LISC's Executive Director or Program Officer.

(iv) Each Disbursement shall be subject to any other conditions reasonably required by LISC. After approval by LISC's Program Officer of the Disbursement Request Form and approval by LISC's Legal Department of all documents and items previously forwarded by LISC's Program Officer, and subject to all other conditions in this section, and in the section below, the disbursement shall be made by wire transfer to the Escrow Account,

for the execution of requests for draws by the Escrow Agent pursuant to the Escrow Agreement.

**(8) General Conditions Governing All Disbursements:**

- (a) No Disbursement shall be made if Grantee is not in compliance with the terms of this Grant Agreement or the occurrence of any default under the Project financing or any portion thereof, or the occurrence of any default under any other financing now or in the future provided by LISC to Grantee.
- (b) LISC reserves the right to withhold any Disbursement if, in LISC's reasonable judgment, a material adverse change has occurred in the financial or other condition of the Project or in Grantee, or Grantee's senior personnel or personnel responsible for the Project.
- (c) LISC reserves the right to withhold any Disbursement if, in LISC's reasonable judgment, satisfactory progress is not being achieved for the Property under construction or rehabilitation at the time of Disbursement.

**(9) Specific Conditions and Procedures for Draws:**

- (a) For each Draw, Escrow Agent shall have received from Grantee, at least five (5) business days before the requested date of the Draw, and shall have reviewed and approved, a written request for the Draw, duly executed by Grantee, with the following documents or equivalent substitutes used in local practice that have been approved by LISC attached: (i) with respect to hard costs, fully completed and executed AIA Forms G702 and G703, or equivalent substitutes used in local practice that have been approved by LISC, (ii) with respect to soft costs, copies of all invoices and bills to be paid with the Draw, (iii) completed and executed AIA Forms G706 and G706A (mechanics lien waivers and affidavit of payment), and (iv) a certified payroll report showing compliance with the Davis Bacon requirements.
- (b) For each Draw, the Project Construction Inspector shall have provided Escrow Agent with an unqualified approval, based upon on-site inspection, that the work to be funded with the Draw has been performed in accordance with applicable building codes and in accordance with the work write-up or plans and specifications for the Property. Grantee shall pay the fees and expenses of the Construction Inspector.
- (c) Each Draw shall be subject to any other conditions reasonably required by LISC. Subject to all conditions contained in this section and the following section (General Conditions Governing All Draws), and subject to all conditions in the Escrow Agreement, the Draw shall be made by Escrow Agent by wire transfer to Grantee's account from the Escrow Account or by check or checks in payment of the work performed or materials supplied or in payment of invoices and bills furnished with



the request for the Draw, as may be determined by Escrow Agent. The amount of the Draw shall be net of a retainage of ten percent (10%). All retainages will be released and receipt by LISC of a certificate of completion certified by the Project Construction Inspector.

**(10) General Conditions Governing All Draws:**

- (a) LISC reserves the right in its reasonable discretion to approve or deny material change orders to the work write-up or plans and specifications for the Property.
- (b) Grantee shall be permitted to request a maximum of two (2) Draws per month for the Project.
- (c) No Draws shall be made after the expiration of the Grant Term.
- (d) No Draws shall be made if Grantee is not in compliance with the terms and conditions of this Grant Agreement or the occurrence of any default under the Project financing or any portion thereof, or the occurrence of any default under any other financing now or in the future provided by LISC to Grantee.

**(11) Funds Not Disbursed to the Grantee Prior to Expiration Date.** Any Grant funds not disbursed to the Grantee by the Expiration Date shall be automatically reprogrammed by LISC, and shall no longer be available for Disbursement to the Grantee; provided, however, that if the Expiration Date is extended pursuant to Section 30 of this LISC Grant Agreement, then the funds shall remain available for disbursement until the new Expiration Date.

**(12) Return of Grant Proceeds to LISC.** The Grantee will return to LISC any Grant funds it has not expended by the Expiration Date, unless such Expiration Date has been extended pursuant to Section 30 of this LISC Grant Agreement, in which case the Grantee will return to LISC any Grant funds it has not expended by the new Expiration Date.

**(13) INTENTIONALLY BLANK**

**(14) Reports to Local LISC Program Office.** The Grantee shall furnish to LISC (*attn: LISC Program Officer, Angela Bolden at [abolden@lisc.org](mailto:abolden@lisc.org)*) the following reports, signed by an appropriate officer of the Grantee having knowledge and authority:

- (a) In connection with each request for Disbursement, Grantee shall submit a *Government Grant Financial Report* on the Project in the format attached hereto as **Exhibit E**, and made a part hereof; and
- (b) Quarterly narrative report on the Project that must include without limitation, the following information: (i) an update on progress being made by the Grantee on the Project goals for the past quarter; (ii) any challenges

encountered by the Grantee with respect to achieving Project goals; and (iii) an update regarding Grantee's ability to meet the target completion date(s) for the Project.

- (15) **No Disbursement if Non-Compliance.** LISC shall not make any Disbursement of the Grant unless on the proposed date of Disbursement the Grantee is in full compliance with all the terms and conditions of this LISC Grant Agreement. In addition, LISC shall not make any Disbursement of the Grant if it will (i) violate any provision of law, regulation or administrative ruling to which LISC is subject, (ii) subject LISC to any tax, penalty, or fine, or (iii) not further the charitable purposes of LISC.
- (16) **No Disbursement if Default Exists, or Material Adverse Change Has Occurred.** LISC shall not make any Disbursement of the Grant if, at the time of the proposed Disbursement, the Grantee, or any subsidiary of the Grantee, or any partnership affiliated with the Grantee, is in default under the terms of any LISC financing, whether for the purpose of this Grant or provided by LISC for any other project or purpose. In addition, LISC shall not make any Disbursement of the Grant if there has been a material adverse change in the financial or other condition of the Grantee, including, but not limited to, any adverse change in the Grantee's key personnel working on the Project (with LISC determining, in its reasonable discretion, what constitutes a material adverse change in key personnel).
- (17) **Affirmative Covenants/Affordability Requirements.** Grantee also covenants and agrees that the for-sale housing units to be developed by Grantee (including the model unit) will be made available to households earning at or below one hundred fifty percent (150%) of AMI. Grantee further covenants and agrees that it will comply with the affordability terms for the for-sale homes, which will last for five (5) years following construction completion, and take all necessary steps to ensure the Project meets such requirements (e.g., recording of affordability covenants, etc.). Grantee covenants and agrees that the affordability requirements outlined in this Section 17 shall comply with the affordability requirements of other funders in the Project. Prior to the Expiration Date of the Grant Term, Grantee shall submit satisfactory evidence to LISC that the Project and any Project financing retains the affordability requirements set forth in this Section 17.
- (18) **Suspension and Termination.**

**Termination for Cause.** This Grant Agreement may be terminated and canceled for cause by LISC, by giving written notice to the Grantee thirty (30) days in advance of such termination and cancellation, delivered by overnight courier, personal delivery, or certified mail, return receipt requested. In the event that this Grant Agreement is terminated prior to the expiration date of this Grant Agreement, the Grantee shall promptly return to LISC any funds that have been expended in violation of this Grant Agreement. Termination for "cause" in this Grant Agreement includes but is not limited

to: (i) any failure to observe or perform any obligations under this Grant Agreement; and (ii) making any misrepresentations or false certifications under this Grant Agreement.

In the alternative, when LISC (or the Attorney General, as the case may be) finds cause for termination of this Grant Agreement, LISC may:

- (a) Withhold all or any portion of the payments owed until the cause for termination is cured to the satisfaction of LISC and/or the Attorney General;
- (b) Require additional oversight by LISC and/or the Attorney General, including compliance and quality controls;
- (c) Require the submission of additional information with respect to the financial condition of Grantee or its contractors, subcontractors, consultants or assignees (if permitted) or their ability to continue performance under this Grant Agreement; and/or
- (d) Require the Grantee to terminate for cause the contract between itself and any contractor, subcontractor, consultant or assignee.

**Termination for Convenience.** At any time during this Grant Agreement, LISC may at its option and for any reason, terminate this Grant Agreement upon thirty (30) business days' written notice to the Grantee.

Upon termination for convenience, the Grantee may be entitled to reimbursement for any expenses incurred in connection with the scope of work described in this Grant Agreement up to the time of such termination, provided such expenses are allowable under the requirements of this Grant Agreement and the Grantee provides LISC with the appropriate documentation as described herein.

In the event the State of Illinois Contract is suspended or terminated, this Grant Agreement may be suspended or terminated effective on the date any notification from the State of Illinois specifies as the suspension or termination date. In the event the State of Illinois Contract expires and the State of Illinois does not extend the State of Illinois Contract, LISC may at its sole discretion terminate this Grant Agreement.

- (19) **Independent Contractor.** In performing the services and/or utilizing the Grant funds described herein, the Grantee shall be deemed to be an independent contractor and not an employee of LISC. Any and all employees of the Grantee (including any contractors, subcontractors or consultants engaged by the Grantee), while engaged in the performance of any work or services required by LISC under this LISC Grant Agreement, shall not be considered employees of LISC. The Grantee will be solely responsible for payment of all compensation owed to its own personnel and any contractors, subcontractors or consultants engaged by the Grantee, as well as of all employment-related and other similar taxes and liabilities incurred by the Grantee.

- (20) **Restrictions on Use of the Grant.** Under Sections 501 and 4945 of the Internal Revenue Code (the "Code"), the Grant may not be used to carry on propaganda, to attempt to influence legislation, or to participate in, intervene in, or attempt to influence the outcome of, political campaigns or elections. Additionally, under the applicable provisions of the Code, LISC funds may only be used in furtherance of LISC's charitable purposes. By countersigning this LISC Grant Agreement and returning it to LISC, the Grantee agrees to (i) not use the Grant for purposes prohibited by the preceding two sentences, (ii) use the Grant in furtherance of the Grantee's charitable purposes (as set forth in its Articles of Incorporation and Application For Recognition of Exemption to the IRS), and (iii) promptly reimburse LISC any Grant amounts not used to further charitable purposes.
- (21) **Compliance with Anti-Discrimination Rules.** In its use of Grant funds provided by LISC, and in its development, marketing and operation of the employment center, the Grantee shall fully comply with all applicable federal, state, local (and any other governmental), anti-discrimination laws, executive orders, rules and regulations.
- (22) **Tax-Exempt Status.** The Grantee confirms that its letter received from the IRS in 1966, which determines that the Grantee is (i) exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and (ii) an organization that is not a private foundation under Section 509(a)(1) of the Code, has not been revoked or modified, and that the Grantee has delivered a copy of said letter to LISC. If either determination is revoked or modified, the Grantee shall immediately notify LISC.
- (23) **Review of Operations/Monitoring.** LISC may monitor and conduct an evaluation of activities funded by the Grant. Such evaluation may include a visit from LISC personnel to observe the activities funded by the Grant, to discuss said activities with the Grantee's personnel, and/or to review financial and other records and materials relating to the activities financed or facilitated by the Grant. In addition, upon LISC's providing of reasonable advance notice, the Peoria Program Officer shall be permitted to attend at least one Board meeting of the Grantee a year.

The Grantee hereby acknowledges and agrees that LISC and the Attorney General and their respective designated monitoring committees may inspect or monitor, or retain third parties to inspect or monitor, the Grantee's compliance with the terms, conditions, and covenants of this Grantee Agreement.

- (24) **Recordkeeping Requirements.** The Grantee shall maintain and preserve all books, records, or papers, including but not limited to electronic records (hereinafter "books, records, or papers") relating to the programs or projects for which funds were provided under this Grant Agreement, including the amounts, recipients, and uses of all disbursements of the funds passing in conjunction with the Grant Agreement, in sufficient detail, for a period of five (5) years after final payment has been made under this Grant Agreement or until any final audit has been completed, whichever is later. The

Grantee shall make available all books, records, and papers related to the agreement for review and audit by LISC, the Auditor General of the State of Illinois, the Attorney General, or their respective designees. The Grantee agrees to cooperate fully with any audit conducted hereunder and to provide full and free access to all relevant materials. The Grantee's failure to maintain the books, records, and papers required by this paragraph shall establish a presumption in favor of LISC or the Attorney General for the recovery of any funds paid under this Grantee Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

During this period, the Grantee must have effective control over and accountability for all proceeds of the State of Illinois AG funds, property and assets acquired with the proceeds of the AG funds. The Grantee must maintain all back-up documentation (including without limitation, payroll register, timesheets, proof of payment—bank statement, proof of employment tax withholding, receipts, invoices) in connection with all expenditures of the State of Illinois AG funds; the back-up documentation must be provided to LISC as requested. The Grantee shall provide LISC with any required documentation in connection with the activities described herein and/or the State of Illinois AG funds expended hereunder.

- (25) **Publicity.** The Grantee agrees that LISC may include information regarding the Grant and purpose of this Grant in its periodic public reports. LISC may refer to the Grant in press releases, and asks that until such a press release is issued, the Grantee not make any public announcement relating to the Grant without first consulting the LISC contact person referred to in Section 2, above. A copy of all issued press releases shall be promptly sent to such contact person.
- (26) **Indemnification.** The Grantee agrees to defend, indemnify and hold harmless LISC, its affiliates, subsidiaries, directors, officers, employees, agents and representatives, and any other party acting on behalf of LISC from and against and with respect to any and all claims, demands, suits, causes of action, judgments, obligations, damages, settlements, liabilities, penalties, costs and expenses of any kind or nature, including, without limitation, reasonable attorneys' fees or disbursements, arising out of, or relating to the Grantee's performance or breach of this LISC Grant Agreement or negligent or wrongful act or omission (or alleged act or omission) in connection with this LISC Grant Agreement. The Grantee agrees to provide LISC with prompt notice of any event or assertion of which it has knowledge concerning any matter as to which a request for indemnification under this LISC Grant Agreement may be made.
- (27) **Not Excluded from Federal Programs.** By signing this LISC Grant Agreement and **Attachment 1** hereto, the Grantee is certifying that neither it, nor any employee whose salary is funded from, nor any contractor whose fees are to be paid from the proceeds of this LISC Grant Agreement are included on the Federal Government's General Services Administration ("GSA")'s "Excluded Parties List System" ("EPLS"), and that Grantee

agrees to notify LISC if any change in this status occurs during the term of this LISC Grant Agreement. Information on the EPLS can be obtained from [www.sam.gov](http://www.sam.gov).

- (28) **Non-Discrimination Clause.** In connection with the utilization of the State of Illinois AG funds provided under this LISC Grant Agreement, the Grantee agrees as follows:
- (a) The Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Grantee shall take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Grantee setting forth the provisions of this nondiscrimination clause.
  - (b) Breach of any of the covenants herein, may be regarded as a material breach of this LISC Grant Agreement, and LISC shall take whatever necessary actions provided by law that it deems appropriate.
  - (c) Refrain from unlawful discrimination and discrimination based on citizenship status in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination.
  - (d) Comply with the procedures and requirements of the regulations of the Department of Human Rights concerning equal opportunities and affirmative action.
  - (e) Provide such information, with respect to its employees and applicants for employment, and assistance as the Department of human rights may reasonably request. 775 ILCS 5/2-105.

The Americans with Disabilities Act of 1990 (42 U.S.C. §12101 *et. seq.*) and the regulations promulgated thereunder (28 C.F.R. §35.130), hereinafter collectively referred to as the "ADA," prohibit discrimination against persons with disabilities by the State of Illinois, whether directly or through contractual arrangements, in the provision of any aid, benefit, or service. As a condition to this Grant Agreement, the Grantee certifies that services, programs, and activities provided under this Grant Agreement are and will continue to be in compliance with the ADA.

- (29) **Assignment, Delegation and Subcontracting.** This LISC Grant Agreement and the rights and duties under this Agreement must not be assigned, delegated or subcontracted by the Grantee without the prior written consent of LISC, and any purported assignment,

delegation or subcontracting of this LISC Grant Agreement without said consent of LISC shall be void.

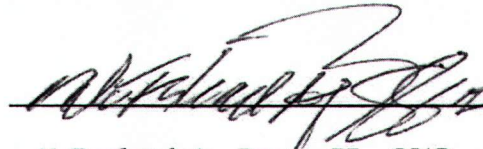
- (30) **Amendment of Term of Grant.** LISC shall consider, but is not obligated to agree to, requests by the Grantee to extend the Expiration Date or make other modifications to the terms of the Grant. Amendments to the Grant shall be made only after (i) LISC's Peoria Program Officer has received a written request from the Grantee stating the nature of the amendment requested, and (ii) an authorized officer of LISC shall have executed a written agreement describing the terms of the amendment.
- (31) **Certification Regarding Compliance with the United States Patriot Act.** By countersigning this LISC Grant Agreement and **Attachment 4** hereto, the Grantee is certifying that Grantee will comply with the requirements outlined in **Attachment 4** regarding the Executive Order 13224 and the United States Patriot Act.
- (32) **Additional State of Illinois Grant Provisions.** The Grantee agrees that in connection with its performance of this LISC Grant Agreement, the Grantee will fully comply with all applicable State of Illinois grant provisions set forth in **Exhibit C**, which is attached hereto and made a part hereof. Breach of any of the covenants herein, may be regarded as a material breach of this LISC Grant Agreement, and LISC shall take whatever necessary actions provided by law that it deems appropriate.
- (33) **Insurance Requirements.** The Grantee agrees that prior to undertaking any activities or services under this LISC Grant Agreement, Grantee will comply with the State of Illinois's insurance requirements set forth in **Exhibit D** to this LISC Grant Agreement, which is attached hereto and made a part hereof.
- (34) **Applicable Laws.** The Grantee agrees that in connection with its performance of this LISC Grant Agreement, the Grantee will fully comply with all applicable Federal, state, local (and any other governmental) laws, executive orders, rules and regulations, including without limitation, all rules, regulations and policies governing the State of Illinois AG funds. Breach of any of the covenants herein, may be regarded as a material breach of this LISC Grant Agreement, and LISC shall take whatever necessary actions provided by law that it deems appropriate.
- (35) **Signature Required.** If this LISC Grant Agreement correctly sets forth the Grantee's understanding of the terms and conditions of the Grant, please indicate acceptance of and agreement to said terms and conditions by signing and dating this LISC Grant Agreement an authorized officer of the Grantee in the space provided below. **The undersigned hereby acknowledges that it has received and read all the attached certifications that are part of this LISC Grant Agreement, and agrees to comply with all of the requirements in connection with this award, and is in compliance with all applicable laws and regulations.**

**This Grant Agreement must be signed and returned to LISC within thirty (30) days of the date of this Grant Agreement. If such deadline passes, LISC reserves the right to withdraw this Grant Agreement and reprogram the funds**

**TERMS OF GRANT ACCEPTED AND AGREED TO:**

**Peoria Citizen's Committee for Economic Opportunity, Inc. (PCCEO)**

**Authorized Officer  
Signature:**



---

**Name:**

McFarland A. Bragg II, CCAP

---

**Title:**

President/CEO

---

**Date:**

September 13, 2016

---

**LISC OFFICER COUNTER-SIGNATURE:**

**Date:**



---

**Michael  
Levine**

Digitally signed by Michael Levine  
DN: cn=Michael Levine, o=LISC,  
ou=Executive Vice President and  
General Counsel,  
email=mlevine@lisc.org, c=US  
Date: 2016.09.27 17:20:25 -04'00'



**EXHIBIT A**  
GRANT BUDGET<sup>1</sup>

Use of Funds	Amount
<b>Pre-Development</b>	
Architectural, Engineering, & Site Work	\$21,000
<b>Direct Construction Cost</b>	
Acquisition costs <sup>2</sup> for up to four units and Construction/Rehabilitation costs for up to three units (includes developer's fee)	\$360,000 <sup>3</sup>
<b>Soft Costs</b>	
Appraisal	\$2,000
Builder's Risk Insurance & Property Insurance	\$5,700
Licensed Construction/Architect Inspector	\$16,000
Marketing	\$12,500
Carrying Costs (Title, Legal and other carrying costs)	\$7,800
<b>TOTAL:</b>	<b>\$425,000</b>

<sup>1</sup> Any change in a line item of (1) 10% of the budget, or (2) \$1,000 or more (whichever is greater), shall be not be made without LISC's prior written approval. LISC reserves the right to approve any professionals or consultants hired with funds under this Grant.

<sup>2</sup> The Grantee shall spend no more than \$120,000 per unit for both acquisition and construction/rehabilitation costs.

<sup>3</sup> Prior to the initial advance or disbursement of the Grant proceeds, LISC shall retain the amount of \$25,000 (for up to three units) as an internal disbursement for the construction contingency reserves for the Project. This amount shall only be disbursed o the Grantee upon LISC's approval.

**EXHIBIT B**

**STATE OF ILLINOIS DISTRIBUTION AGREEMENT**

Attached.

## EXHIBIT C

### ADDITIONAL STATE OF ILLINOIS GRANT PROVISIONS

Grantee agrees that it will comply with the applicable State of Illinois requirements as set forth in this **Exhibit C**.

#### 1. Compliance with Federal, State and Local Law

The Grantee certifies that it shall at all times, in the performance of this Grant Agreement, comply with all applicable federal, state, and local laws and regulations, as may be applicable to the Grantee in the undertaking of the activities and Project described in this Grant Agreement, including but not limited to: **Workers' Compensation Act**, 820 ILCS 305/1 *et. seq.*, **Business Enterprise for Minorities, Females, and Persons with Disabilities Act**, 30 ILCS 575/1 *et. seq.*, **Unemployment Insurance Act**, 820 ILCS 405/100 *et. seq.*, **Illinois Prevailing Wage Act**, 820 ILCS 130/.01 *et. seq.*, **Davis-Bacon Act and other labor standards**, 24 CFR 570.603 *et. seq.*, 29 CFR Parts 1, 3 and 5 *et. seq.*, the **Truth in Lending Act**, 15 U.S.C. §1601 *et. seq.*, the **Home Ownership and Equity Protection Act**, 15 U.S.C. §1639, the **Federal Trade Commission Act**, Illinois 15 U.S.C. §41 *et. seq.*, the **Equal Credit Opportunity Act**, 15 U.S.C. §701 *et. seq.*, the **Fair Credit Reporting Act**, 15 U.S.C. §1681 *et. seq.*, the **Fair Debt Collection Practices Act**, 15 U.S.C. §1692 *et. seq.*, the **Real Estate Settlement Procedures Act**, 12 U.S.C. §2601 *et. seq.*, the **Fair Housing Act**, 42 U.S.C. §3601 *et. seq.*, the **Gramm Leach Bliley Act**, 15 U.S.C. §6801-6809, and §§114 and 315 of the **Fair and Accurate Credit Transactions Act of 2003** (the "FACT Act", 15 U.S.C. §§1681m(e) and 1681c(h)), **Illinois State Agency Resources Preservation Act**, 20 ILCS 3420 *et. seq.*, **U.S. Export Administration Act of 1979** or the regulations of the U.S. Department of Commerce promulgated under that Act, 24 CFR Part 85, **OMB Circular A-133** (Audits of State and Local Governments); **OMB Circular A-110**, the **Illinois Human Rights Act**, 775 ILCS 5/1-101 *et. seq.*, the **Americans with Disabilities Act of 1990**, and the regulations promulgated thereunder; the **Environmental Barriers Act**, 410 ILCS 25/1 *et. seq.*, the **Illinois Accessibility Code**, 71 Ill. Adm. Code 400 *et. seq.*; and all other applicable federal, state, and local fair housing and equal opportunity laws and regulations; all other provisions of federal, state and local law relative to non-discrimination; and all other federal and state laws and regulations applicable thereto, including without limitation, those designed to prevent unfair, discriminatory or predatory lending practices, tenant rights and licensing. The Grantee shall comply with all applicable local, state and federal construction-related laws, regulations, ordinances and codes, including but not limited to local building codes, zoning codes, relocation requirements, and other construction-related requirements. This Grant Agreement shall be construed in accordance with and governed in all respects by the laws of the State of Illinois.

#### 2. Bribery

The Grantee certifies that neither it nor any of its authorized agents has been convicted or made an admission as a matter of record of having bribed or attempted to bribe an officer or employee of any federal, state, or local governmental entity.

**3. Felony Conviction**

The Grantee certifies that neither it nor any of its authorized agents has been convicted of a felony, the sentence of which has been completed within the five (5) years prior to the date of this Grant Agreement, or if it or one of its authorized agents has, that the person(s) held responsible by a prosecutorial office for the facts upon which the conviction was based has no involvement with the business.

**4. Sarbanes-Oxley Act**

The Grantee certifies that neither it nor any of its authorized agents has been convicted of a felony under the Sarbanes-Oxley Act of 2002 (15 U.S.C. §7201 et. seq.) or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 (815 ILCS 5/1 et. seq.) within the five (5) years prior to the date of this Grant Agreement.

**5. Debt Delinquency**

The Grantee certifies that neither it nor any of its authorized agents is delinquent in the payment of any debt to the State of Illinois, or, if it or one of its authorized agents is delinquent in the payment of any debt to the State of Illinois, that it or its authorized agents has entered into a deferred payment plan to pay off the debt.

**6. Environmental Protection Act**

The Grantee certifies that neither it nor any of its authorized agents has been found by a court or by the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the five (5) years prior to the date of this Grant Agreement, or, if it or one of its authorized agents has, the Consultant certifies that no person involved in the violation continues to have any involvement with its business.

**7. Educational Loans**

To the extent that the Educational Loan Default Act (5 ILCS 385/0.01 et. seq.) applies to this Agreement, the Grantee certifies that neither it nor any of its authorized agents is in default on an educational loan.

**8. Dues to Clubs Which Discriminate**

The Grantee certifies that it does not pay dues or fees on behalf of its employees or agents or subsidize or otherwise reimburse them for payment of their dues or fees to any club which unlawfully discriminates.

**9. Provision of False Information**

The Grantee acknowledges that the provision of false or misleading information to LISC or the Attorney General in connection with this Grant Agreement may constitute a violation of: (a) federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title eighteen of the United States Code; or (b) the Civil False Claims Act, 31 U.S.C. Sections 3729-3733 and the Illinois False Claims Act, 740 ILCS 175/1 *et. seq.* The Grantee agrees to immediately disclose to LISC any discovered credible evidence, in connection with this Grant Agreement, that a management official, employee, or contractor of the Grantee has committed, or may have committed, a violation of the referenced statutes in this section or other wrongdoing.

**10. Charitable Organization Status**

To the extent applicable, the Grantee certifies that it is a charitable organization subject to Illinois' Charitable Trust Act (760 ILCS 55/1 *et. seq.*) and the Solicitation for Charity Act (225 ILCS 460/0.01 *et. seq.*), and, if subject to either of these Acts, that all appropriate registration materials and annual reports have been filed with the Attorney General's Charitable Trust Bureau.

**11. Good Standing and Authority to Act**

The Grantee certifies that it is a duly organized nonprofit organization organized under the laws of the State of Illinois and is in good standing with the Illinois Secretary of State with full legal power and authority to engage in the transactions contemplated herein, and that it is designated tax exempt under Section 501(c)(1) or Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. §501(c).

**12. Discrimination of Program Participants**

The Grantee certifies that it shall not, in the selection of persons for participation in services in connection with this Grant Agreement, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, age, unfavorable military discharge, ancestry, handicap, national origin, marital status, or familial status.

**13. Litigation**

The Grantee has not received any written notice of any action, suit, restraining order, injunction, investigation, proceeding or inquiry at law or in equity, pending or threatened, by or before any judicial, quasi-judicial, legislative or administrative court, agency or authority, or any arbiter, nor to the best of the Grantee's knowledge is there any basis for any of the foregoing, wherein an unfavorable determination, ruling or finding would materially adversely affect the validity or enforceability of this Grantee Agreement or the ability of the Grantee to perform its obligations hereunder.

#### **14. Privacy**

The Grantee certifies that it agrees to comply with all applicable laws and regulations, including the Gramm-Leach-Bliley Act (the "GLB Act"); and the Illinois Personal Information Protection Act, 815 ILCS 530 et. seq. In the event the Consultant acts as a "financial institution" under the GBL Act, by becoming significantly engaged in providing financial services such as loans to individuals, the Consultant agrees to comply with the Financial Privacy Rule, ensuring that privacy practices are succinct and easy to read (the "Financial Privacy Rule"); the Federal Trade Commission's established policies and procedures for safeguarding applicants' and individual participants' information (the "Safeguards Rule"); to establish appropriate measures to dispose of applicants' and borrowers' information in compliance with the "Disposal Rule" and to include appropriate protections and procedures designed to prevent Pretexting of applicants' and individual participants' nonpublic private information.

#### **15. Conflict of Interest**

The Grantee certifies that no board member, officer, agent or representative of the Grantee, or employee of the Grantee with Board-delegated powers:

- (a) Possesses or shall acquire any direct or indirect financial interest in any contract, transaction, or other arrangement, in which the Grantee is a party pursuant to the terms of this Grant Agreement;
- (b) Shall disclose or use confidential, special, or inside information of or about the Consultant, the services provided by the Grantee under this Grant Agreement, or this Grant Agreement for personal profit or advantage;
- (c) Shall influence the Grantee's business, administrative, or material decisions in furtherance of this Grant Agreement, in a manner that leads to his or her personal gain or advantage; or
- (d) Shall participate in deliberations or actions resulting in the purchase of goods or services from any entity in which he or she or his or her family members have a financial interest.

For purposes of this section, a board member, officer, agent, representative, or employee has a "financial interest," if he or she possesses, directly or indirectly, through a business relationship, investment relationship, or relationship with a family member, any of the following:

- (i) An ownership or investment interest in any entity or individual with which the Grantee has entered into a contract, transaction, or other arrangement or which seeks to enter into a business relationship with the Grantee;

- (ii) A compensation arrangement with any entity or individual with which the Grantee has entered into a contract, transaction, or other arrangement or which seeks to enter into a business relationship with the Grantee; or
- (iii) A potential ownership interest, investment interest, or compensation arrangement with any entity or individual with which the Grantee is negotiating a contract, transaction, or other arrangement.

A "family member" is defined as any member of the board member's, officer's, agent's, representative's, or employee's immediate family and includes parents, siblings, spouse, domestic partner, children, stepchildren, grandchildren and in-laws.

#### **16. Sexual Harassment Policies**

The Grantee agrees to establish and maintain written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of "sexual harassment" under State law; (iii) a description of sexual harassment utilizing examples; (iv) the Grantee's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the State of Illinois Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the State of Illinois Department of Human Rights and the Human Rights Commission; and (vii) protection against retaliation as provided by section 6-101 of the Illinois Human Rights Act. 775 ILCS 5/6-101.

#### **17. False Certifications**

The Grantee acknowledges that responding falsely to any of the certifications required by this Grant Agreement shall constitute cause under the section titled "Suspension and Termination".

## EXHIBIT D

### STATE OF ILLINOIS INSURANCE REQUIREMENTS

The Grantee must provide and maintain at Grantee's own expense during the term of this LISC Grant Agreement, the insurance coverage and requirements specified below, insuring all operations and activities related to the LISC Grant Agreement. The Grantee shall provide proof of insurance in the manner described in this **Exhibit D** and shall furnish a copy of its evidence of insurance to LISC upon request.

The Grantee shall procure, or require the relevant party to procure, the following forms of insurance in reasonable amounts commensurate with the risk. All coverage shall be written by insurance companies with a Best rating of A or better, and a Standard and Poor's rating of BBB or better:

Grantee: The Grantee shall keep sufficient insurance coverage in place during the term of the Grantee Agreement to protect assets from loss due to theft, fraud, and/or undue physical damage, including a blanket fidelity bond covering all employees in an amount equal to funds advanced under the Grant Agreement.

Property Owner's Insurance Policies: For any entity that owns and develops real property acquired or rehabilitated by funds to be provided under the Grant Agreement, the following insurance coverages shall be secured: Property, Builder's Risk, and Comprehensive General Liability Insurance. Property Owner's Insurance Coverage shall also comply with the insurance requirements of all lenders, investors, or funders of their project.

General Contractor's Insurance Policies: For any general contractor working on a project funded by the National Foreclosure Settlement Awards, the following insurance coverages shall be secured: Comprehensive General Liability Insurance, Automobile Liability, Worker's Compensation, and Excess Umbrella Liability. General Contractor's Insurance Coverage shall also comply with the insurance requirements of all lenders, investors, or funders of the Project.



**ATTACHMENT 1**

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER  
RESPONSIBILITY MATTERS PRIMARILY COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 2 Code of Federal Regulations ("CFR") Part 2867, Section 2867.20(a), Participants' responsibilities.

1. The Grantee certifies to the best of its knowledge and belief, that it:
  - (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
  - (b) Has not within a three (3) year period preceding the closing date for this LISC grant, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) or private agreement or transaction; violation of Federal or state antitrust statutes or commission or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property, making false claims, or obstruction of justice, or commission of any offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility.
  - (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, state or local) with commission of any of the offenses enumerated in paragraph 1(b) of this certification.
  - (d) Has not within a three (3) year period preceding the LISC Grant had one or more public transactions (Federal, state or local) terminated for cause or default.
2. Where the Grantee is unable to certify to any of the statements in this certification, the Grantee shall attach an explanation to this certification form.
3. The undersigned shall require that the language of this certification be included in all subcontract awards pursuant to the grant agreement and agrees to require any such subcontractors to sign a Debarment Certification form.

Grantee Name: Peoria Citizens Committee For Economic Opportunity, Inc.

Authorized Signature:  \_\_\_\_\_

Name and Title of Authorized Signatory: McFarland A. Bragg II, President/CEO

Date: September 13, 2016

## ATTACHMENT 2

### CERTIFICATION REGARDING LOBBYING

The undersigned hereby certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid, or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or an employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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 is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

Grantee Name: Peoria Citizens Committee for Economic Opportunity, Inc.

Authorized Signature: 

Name and Title of Authorized Signatory: McFarland A. Bragg II, President/CEO

Date: September 13, 2016

### ATTACHMENT 3

#### CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

##### Instructions for Certification:

1. As part of the LISC Grant Agreement, the Grantee is providing the certification set forth below.
2. The certification set forth below is a material representation of fact upon which reliance was placed in LISC's decision to provide the LISC Grant to the Grantee. If it is later determined that the Grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, LISC and/or the Attorney General for the State of Illinois, in addition to any other remedies available to LISC and/or the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. The Grantee certifies that it will, or continue to, provide a drug-free workplace by:
  - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the Grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
  - (b) Establishing an on-going drug-free awareness program to inform employees about:
    - (1) the dangers of drug abuse in the workplace;
    - (2) the Grantee'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 employees for drug abuse violations occurring in the workplace.
  - (c) Making it a requirement that each employee engaged in the performance of any services rendered in connection with the Grantee's use of the LISC Grant proceeds as stated in the LISC Grant Agreement, be given a copy of the statement required by paragraph 3(a), above.
  - (d) Notifying the employee in the statement required by paragraph 3(a), above, that as a condition of employment in connection with Grantee's use of the LISC Grant proceeds, the employee will:
    - (1) abide by the terms of the statement; and
    - (2) notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) days after such conviction.

- (e) Notifying LISC within ten (10) days after receiving notice under sub-paragraph 3(d)(2) from an employee or otherwise receiving actual notice of such conviction.
- (f) Taking one of the following actions within thirty (30) days of receiving notice under sub-paragraph 3(d)(2) for any employee who is so convicted:
  - (1) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or,
  - (2) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, state, or local health, law enforcement, or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug-free workplace through the implementation of paragraphs 3(a) through 3(f), above.

The Grantee is required to insert in the space below, the site(s) for the performance of work to be done in connection with the LISC Grant proceeds.

**Place of Performance:**

811, 815 Behrends Street  
(Street Address)

Peoria, Peoria  
(City and County)

IL 61603  
(State and Zip Code)

The Grantee further certifies that it will maintain its drug-free workplace policies and conform to the requirements of the Drug-Free Workplace Act.

Grantee Name: Peoria Citizens Committee for Economic Opportunity, Inc.

Authorized Signature: 

Name and Title of Authorized Signatory: McFarland A. Bragg II, President/CEO

Date: September 13, 2016

**ATTACHMENT 4**

**CERTIFICATION REGARDING THE UNITED STATES PATRIOT ACT**

As a requirement of the LISC Grant Agreement, the Grantee is providing the certification set forth below.

1. The certification set forth below is a material representation of fact upon which reliance was placed in LISC's decision to provide the LISC Grant to the Grantee. If it is later determined that the Grantee knowingly rendered a false certification, or otherwise violates the requirements set forth in this certification, LISC, the Federal Government and/or state or local governmental agency may take any action and exercise all remedies available to LISC, the Federal Government and/or state or local governmental agency.
2. Grantee is not now, nor has it ever been, named on (i) the list of Specifically Designated Nationals and Blocked Persons established pursuant to Executive Order 13224 and maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control or any successor agency or other entity, or (ii) any other list of terrorists or terrorist organizations maintained by any agency of the United States or any other governmental authority. Grantee shall submit such information as LISC may reasonably request to enable LISC to confirm that Grantee is not named on any such list.

Grantee further certifies that it will comply with the requirements outlined in this certification and/or any other applicable Federal, state or local rules or regulations.

Grantee Name: Peoria Citizens Committee for Economic Opportunity, Inc.

Authorized Signature: 

Name and Title of Authorized Signatory: McFarland A. Bragg II, President/CEO

Date: September 13, 2016

**EXHIBIT E**  
**GOVERNMENT GRANT FINANCIAL**  
**REPORT**

MONTHLY/QUARTERLY FINANCIAL REPORT	GRANT PA#:	
CDC NAME:	GRANT PERIOD:	
ADDRESS:		PREPARED BY:
	PERIOD REPORTING ON:	CONTACT PERSON:
NEW ADDRESS? <input type="checkbox"/> YES <input type="checkbox"/> NO		PHONE NUMBER:

BUDGET DESCRIPTION	TOTAL APPROVED BUDGET	PRIOR MONTH'S CUMULATIVE EXPENSES	CURRENT MONTH'S EXPENSES	CUMULATIVE TOTAL EXPENSES	BUDGET BALANCE
				\$0.00	\$0.00
				\$0.00	\$0.00
				\$0.00	\$0.00
				\$0.00	\$0.00
				\$0.00	\$0.00
<b>GRAND TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

MAIL TO: YOUR LISC PROGRAM OFFICER

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

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

\*\*A CERTIFIED OFFICIAL WHO IS AUTHORIZED TO LEGALLY BIND THE ENTITY MUST SIGN

\*\*\*REMINDER - SUBMIT BY 15TH OF THE FOLLOWING MONTH