

**Memorandum  
Community and Economic Development**

**To:** Thomas Thomas, City Manager  
**Subject:** Northwestern Illinois Housing Coalition – AG Funds  
**Date:** October 9, 2014



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The City of Rock Island is a participant in the Rock Island Economic Growth Corporation, Illinois Housing Coalition. The Northwestern Illinois Housing Coalition (NIHC) was formed to apply for Illinois Attorney General national foreclosure settlement funds. The other members of the NIHC are Adult Rehabilitation Center of the Quad Cities, City of East Moline, City of Fulton, City of Moline, City of Sterling and Project NOW. The NIHC was awarded a total of \$3,500,000. The City of Rock Island will receive \$250,000 of this total aware to be used as follows:

- \$75,000 for demolition – The City will directly care out this activity.
- \$175,000 for purchase rehabilitation activities - On behalf of the City, Rock Island Economic Growth Corporation will carry out the purchase rehabilitation activities. The City will work directly with Rock Island Economic Growth to select the specific properties.

In addition, Rock Island Economic Growth Corporation is investing a portion of the Illinois Attorney General Nation Foreclosure Settlement Funds in Rock Island projects as follows:

- The Locks - \$250,000
- Star Block - \$300,000
- College Hill - \$400,000

**RECOMMENDATION:**

The Community & Economic Development Department recommends that the City Council approve the agreement with the Northwest Illinois Housing Coalition and authorize the City Manager to execute the agreement.

**Submitted by:** Jeffery A. Eder, Assistant City Manager / Community and Economic Development Director

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**Approved by:** Thomas Thomas, City Manager

**Northwestern Illinois Housing Coalition  
Illinois Attorney General Nation Foreclosure Settlement Funds**

**MEMORANDUM OF UNDERSTANDING**

**Rock Island Economic Growth Corporation  
&  
City of Rock Island, Illinois**

THIS Memorandum of Understanding (MOU), is entered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the Rock Island Economic Growth Corporation (herein called the “Lead Member”) and the **City of Rock Island**, Illinois (herein called the “Coalition Member”).

WHEREAS, the Lead Member is responsible for leading and convening activities of the Northwestern Illinois Housing Coalition (NIHC), and;

WHEREAS, the NIHC includes the Lead Member along with the following Coalition Members: Adult Rehabilitation Center of the Quad Cities, City of East Moline, City of Fulton, City of Moline, City of Rock Island, City of Sterling, Project NOW, and;

WHEREAS the Lead Member submitted an application for grant funding on behalf of the NIHC to the Office of the Illinois Attorney General, for the National Foreclosure Settlement Funds (NSF) program, and;

WHEREAS, the Lead Member is the recipient and administrator of NSF funds and desires to contract with the Coalition Member to achieve objectives set forth in the NIHC grant application and in accordance with the provisions set forth in the NSF Funding Agreement between the Illinois Attorney General Office and the Lead Member.

NOW, THEREFORE, it is agreed between the parties hereto that;

**I. SCOPE OF SERVICE**

**A. Activities / Deliverables / Budget**

The Lead Member and Coalition Member will be responsible for performing NSF activities described in **Exhibit I**. Any change to the activities listed below must be approved by the Lead Member in the form of a fully executed amendment to this MOU.

**B. Income Eligibility Requirements**

The Coalition Member and Lead Member shall comply with any and all income eligibility requirements stated in the **Distribution Agreement**, attached here to as Exhibit II and incorporated herein.

**C. Levels of Accomplishment – Goals and Performance Measures**

The Coalition Member and Lead Member must comply with the deliverables as described in **Exhibit I** and any additional reporting requirements announced by the Illinois Attorney General Office at any time during the duration of this agreement.

The Coalition Member and Lead Member will perform activities in compliance with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract.

The Lead Member will conduct onsite and desk monitoring throughout the grant term. Performance found to be substandard as determined by the Lead Member will constitute noncompliance with this MOU. Recommended corrective actions that are not taken by Coalition Members with substandard performance within a reasonable period of time as identified by the Lead Member, is cause for suspension or termination of this agreement.

Coalition member agrees to provide the Illinois Attorney General Office or its designee(s), the Lead Member, and the Coalition Member's internal auditors access to all records related to performance of activities covered in this agreement.

Coalition Member will provide monthly program reports in a format and time required by the Lead Member and quarterly progress reports in a format and time required by the Lead Member. The Lead Member will use such information to monitor progress and report on information.

## II. **CONTRACT TERM**

The contract term shall begin on the date this Agreement is executed by all parties and shall end on **June 30, 2016**, unless sooner terminated as herein provided.

## III. **BUDGET**

A Budget is attached hereto with Exhibit I and incorporated herein. The Lead Member may require a more detailed budget breakdown than the one contained herein, and the Coalition Member shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Lead Member. **Any amendments to the budget must be approved in writing by both the Lead Member and the Coalition Member.**

## IV. **PAYMENT**

It is expressly agreed and understood that the total amount to be paid for activities to be undertaken in this agreement shall not exceed **\$250,000**. The payment of eligible expenses shall be associated with eligible activities. Prior to payment, all costs will be verified by the Coalition Member and Lead Member. The Coalition Member will provide supporting documentation to the Lead Member for all eligible costs incurred.

## V. **NOTICES**

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice sent as aforesaid shall be effective on the date of sending. All notices and

other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

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

**Lead Member**

Rock Island Economic Growth Corporation  
Brian Hollenback, President  
100 19<sup>th</sup> Street, Suite 109  
Rock Island, IL 61201  
Telephone: 309-788-6311  
Fax: 309-788-6323

**Coalition Member**

City of Rock Island  
Dennis Pauley, Mayor  
1528 3<sup>rd</sup> Avenue  
Rock Island, IL 61201  
Telephone: 309-732-2012

**VI. GENERAL CONDITIONS**

A. General Compliance

The Coalition Member agrees to comply with All NSF requirements, including those found in the attached Exhibits as well as all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Coalition Member further acknowledges its responsibility for adherence to all applicable terms and conditions of this grant award by sub-recipient entities and contractors, including obtaining a DUNS number (or updating the existing DUNS record), and registering with the Central Contractor Registration. The Coalition Member further agrees to use funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. Hold Harmless

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

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

C. Workers' Compensation

The Lead Member and Coalition Member shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

D. Insurance & Bonding

The Lead Member and Coalition Member shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and at a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Lead Member. Insurance shall also follow amounts and types identified in Exhibit II.

F. Amendments

The Lead Member may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts. Such modifications must make specific reference to this Agreement and be executed in writing by a duly authorized representative of both the Lead Member and Coalition Member. Such amendments shall not invalidate this Agreement, nor relieve or release the Lead Member or Coalition Member from its obligations under this Agreement.

G. Suspension or Termination

The Lead Member may suspend or terminate this Agreement if the Coalition Member materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the statutes, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Coalition Member to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Coalition Member to the Lead Member reports that are incorrect or incomplete in any material respect.

This Agreement may also be terminated for convenience by mutual agreement between the Lead Member and the Coalition Member, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Lead Member determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Lead Member may terminate the award in its entirety. Such a termination shall only be carried out with the explicit written approval from the Illinois Attorney General Office.

**VII. ADMINISTRATIVE REQUIREMENTS**

A. Compliance with Federal, State, and Local Laws

The Coalition Member shall remain in compliance with all provisions and requirements contained in the Distribution Agreement which is attached hereto as Exhibit II and

incorporated herein, including but not limited to all applicable federal, state, and local laws.

B. Documentation and Record Keeping

1. Client Data

If applicable, the Lead Member and Coalition Member shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service or benefit provided. Such information shall be made available to Lead Member monitors or their designees for review upon request.

2. Records to be Maintained

The Lead Member and Coalition Member shall maintain all records required by the NSF Program. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating income eligibility (If applicable) of each activity undertaken, to benefits low-, moderate-, or middle-income persons.
- c. Records required to determine the eligibility of activities and the eligibility of all properties assisted;
- d. Records required to document the purchase and sale amounts of each property, discounts, and the sources and uses of funds for each activity;
- e. Records documenting compliance with the fair housing and equal opportunity requirements of the NSF program, including but not limited to the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program;

3. Retention

The Lead Member and Coalition Member shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date that the Lead Member signs its agreement with the Illinois Attorney General Office.

Notwithstanding the above, 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 completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

4. Disclosure

The Lead Member and Coalition Member understand that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Lead Member's or Coalition Member's

responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Coalition Member's obligation to the Lead Member shall not end until the Illinois Attorney General Office (or its authorized representative) completes all close-out requirements for the NSF grant.

Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Lead Member), and determining the custodianship of records. However, the terms of this Agreement shall remain in effect during any period that the Lead Member has control over NSF funds, including program income if applicable. All program assets (unexpended program income, property, equipment, etc.) not otherwise disposed of in the closeout agreement shall revert to the Lead Member upon termination of this Agreement.

6. Audits & Inspections

All Lead Member and Coalition Member records with respect to any matters covered by this Agreement shall be made available to the Illinois Attorney General Office, the Lead Member, and any other authorized representative at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

Any deficiencies noted in audit reports must be fully cleared by the Coalition Member within 30 days after receipt by the Coalition Member. Failure of the Coalition Member to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments or termination of this agreement. The Coalition Member hereby agrees to have an annual agency audit.

C. Reporting and Payment Procedures

1. Program Income

Any income generated and received by the Lead Member and Coalition Member as a result of its use of the Funds shall be disclosed and returned to the Lead Member. If applicable, the Lead Member and Coalition Member shall report no less frequently than monthly all program income generated by activities carried out with NSF funds made available under this contract.

2. Payment Procedures

Payments will be made by the Lead Member for eligible NSF related expenses actually incurred for activities under this Agreement, and will not exceed actual cash requirements. The Lead Member reserves the right to liquidate funds available under this contract for costs incurred by the Lead Member on behalf of the Coalition Member.

All Funds distributed hereunder shall be expended within the term of this Agreement. Any Funds not expended or legally obligated by the end of the term of this Agreement

must be returned to the Lead Member within 15 days after the term of this Agreement, unless otherwise provided in this Agreement.

D. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements set forth in Exhibit II. In addition:

1. Real property under the Lead Member or Coalition Member's control that was acquired or improved, in whole or in part, with funds under this Agreement shall be used in accordance with the NSF program requirements.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment).

**VIII. RELOCATION, REAL PROPERTY ACQUISITION**

If applicable, the Coalition Member agrees to comply with applicable Lead Member or local ordinances, resolutions and policies concerning the displacement of persons. The Coalition member will demolish or convert units using NSF funds only to the extent and scope described in the Coalition application.

**IX. PERSONNEL & PARTICIPANT CONDITIONS**

The Lead Member and Coalition Member shall uphold the personnel and participation conditions stated below and well as all provisions and requirements identified in Exhibit II.

**X. COPYRIGHT**

If this contract results in any copyrightable material or inventions, the Lead Member and Illinois Attorney General Office reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

**XI. REHABILITATION STANDARDS**

The Lead Member and Coalition Member will carry out all NSF-assisted rehabilitation in compliance with the rehabilitation standards in the Coalition's NSF application and in accordance with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

**XII. ELIGIBILITY AND ALLOWABLE COSTS**

The Lead Member and Coalition Member will ensure and document that its NSF activities meet eligible use, allowable cost, and eligible activity requirements of the NSF Program.

**XIII. EMINENT DOMAIN**

The Lead Member and Coalition Member will not undertake any involuntary acquisition of property with NSF funds without prior written consent of the Lead Applicant and written opinion of counsel that such acquisition is lawful.

**XIV. SEVERABILITY**

If any provision of this 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.

**XV. SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

**XVI. WAIVER**

The Lead Member's failure to act with respect to a breach by the Coalition Member does not waive its right to act with respect to subsequent or similar breaches. The failure of the Lead Member to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

**XVII. ENTIRE AGREEMENT**

By way of signing this agreement, the Lead Member and Coalition Member are bound to perform the agreements within this agreement or any approved amendment thereof.

Exhibit I: Activities / Deliverables / Budget  
Exhibit II: Distribution Agreement

**XVIII. COUNTERPARTS**

This Agreement may be executed in counterparts, each taken together with the other counterparts shall constitute one instrument, binding and enforceable against each signatory to any counterpart instrument.

**Signature Page**

Date \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

**Rock Island Economic Growth Corporation**

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

Name Printed: Brian Hollenback

Title: President

**City of Rock Island**

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

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT I**

**ACTIVITIES / DELIVERABLES / BUDGET**

**EXHIBIT 1**

**ACTIVITIES / DELIVERABLES / BUDGET**

<b>CONSORTIUM MEMBER</b>	<b>ACTIVITIES</b>	<b>DELIVERABLES</b>	<b>BUDGET</b>
City of Rock Island	Demolition and Purchase-Rehabilitation activities will be carried out with the assistance of the Lead Member.  Demolition activities will be carried out by the Consortium Member with payment by the Lead Member. (\$75,000)  Consortium Member will select units for Purchase Rehabilitation activities. Lead member shall engage in construction management activities for selected homes, including initial inspection, scope of work, contractor selection process. (\$175,000)	# Units Acquired  # Units Rehabilitated  # Units Sold to Beneficiaries	\$250,000

**EXHIBIT II**

**DISTRIBUTION AGREEMENT  
WITH ILLINOIS ATTORNEY GENERAL OFFICE AND LEAD MEMBER**

**DISTRIBUTION AGREEMENT**  
*Pursuant to Court-Ordered Cy Pres in:*  
*United States of America, et al. v. Bank of America Corp., et. al*  
**No. 12-cv-0361; U.S. District Court for the District of Columbia**

This *Cy Pres*/Court-Ordered Distribution Agreement (hereinafter referred to as the Agreement), made this 1st day of July 2014, by and between the State of Illinois represented by the Attorney General of the State of Illinois, and Rock Island Economic Growth Corporation, an Illinois not-for-profit corporation (hereinafter referred to as Beneficiary) (the Attorney General and Beneficiary shall hereinafter be collectively referred to as the Parties), witnesseth:

WHEREAS, in the above captioned matter the Attorney General participated in a national settlement ("NFS Settlement") entered into with the nation's five largest bank servicers – Bank of America, J.P. Morgan Chase, Wells Fargo, Citibank, and Ally Bank, formerly GMAC – regarding allegations of widespread robo-signing of foreclosure documents and other fraudulent practices while servicing loans of struggling homeowners; and

WHEREAS, as a result of that settlement, the Attorney General will receive funds to be used to mitigate the effects of Illinois' foreclosure crisis, and on December 21, 2012, the Attorney General issued a request for qualifications and proposals seeking proposals from qualified entities for the receipt of funds from the NFS Settlement to be used to mitigate the effects of Illinois' foreclosure crisis by soliciting proposals from entities that would: (1) provide housing counseling services to renters and current and future homeowners; (2) provide mortgage acquisition or restructuring support to families affected by foreclosure; (3) invest in neighborhoods that have been destabilized by vacant and abandoned properties through collaborative partnerships; and (4) provide expertise to groups working to provide housing counseling services or to revitalize neighborhoods; and

WHEREAS, the Attorney General has allocated a portion of these settlement funds to Beneficiary in return for Beneficiary performing the services described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth in this Agreement and the benefits to accrue to the People of the State of Illinois, the Parties mutually promise and agree as follows:

**TERM.** The term of this Agreement is for a period of two (2) years, commencing on July 1, 2014 and ending on June 30, 2016, unless sooner terminated as herein provided.

**1. DISTRIBUTION OF FUNDS.** The Attorney General agrees to contribute and provide financial support to Beneficiary in the amount of \$3,500,000 (hereinafter referred to as the Funds). Beneficiary may provide up to the total amount of the Funds to (a) any Funded Team Partner, (b) any Illinois limited liability company in which the Beneficiary or a Funded Team Partner is the sole member, or (c) any Illinois limited liability company or Illinois limited partnership in which the Beneficiary or Funded Team Partner is the managing member or general partner, as applicable (the  Approved Affiliates  in order for the Approved Affiliates to complete, on Beneficiary's behalf, the services described in this Agreement.

Beneficiary agrees to use the Funds solely for the provision of services as specified in this Agreement and strictly in accordance with the program budget, marked as "Exhibit A" and

incorporated herein by reference, unless Beneficiary has modified the services to be provided in accordance with paragraph 5 of this Agreement.

Subject to the satisfactory performance of the conditions of this Agreement, the Attorney General will pay the Funds to Beneficiary according to the following schedule:

<u>DATE</u>	<u>AMOUNT</u>
July 15, 2014	\$2,590,000
January 15, 2015	\$736,250
July 15, 2015	\$138,750
June 1, 2016	\$35,000

1. **TEAM PARTNERS.** The Team Partners shall be as follows: Rock Island Economic Growth Corporation (Beneficiary), City of Rock Island, City of Moline, City of East Moline, City of Sterling, City of Fulton, City of Morrison, Arc of the Quad Cities, and Project NOW.

4. **DESCRIPTION OF SERVICES.** Beneficiary, Team Partners and Approved Affiliates shall participate in a geographically-targeted effort to redevelop and stabilize areas in the **Northwestern Illinois Region in the Counties of Rock Island and Whiteside** with an emphasis on priority neighborhoods, consistent with local and regional plans, in the following communities: **Rock Island, Moline, East Moline, Fulton, Morrison and Sterling.** Stabilization efforts will assist neighborhoods impacted by foreclosures and vacant properties. The Target Area includes the following (blocks/census tracts/etc.):

**Rock Island**

- Downtown, Census Tract 17161022600
- College Circle Neighborhood, Census Tract 17161022800
- Broadway Neighborhood, Census Tract 171614023300
- Keystone Neighborhood, Census Tracts 171614022800 and 17161024500
- New Old Chicago Neighborhood, Census Tract 17161022600
- Additional scattered sites which meet eligibility requirements

**Moline**

- Scattered site – single family

**East Moline**

- Scattered site – single family

**Sterling**

- Scattered site – single family
- Downtown (predevelopment multifamily), Census Tract 17195001100)

**Fulton**

- Scattered site

**Morrison**

- Scattered site

**Arc of Quad Cities**

- Broadway Neighborhood – Rock Island 171610233500

**Project NOW**

- New Old Chicago Neighborhood- Existing Tax Credit Project – Rock Island, Census Tract 17161022600.

To accomplish this redevelopment effort, Beneficiary and Team Partners and Approved Affiliates will work collaboratively to acquire, demolish, rehabilitate, construct and/or facilitate the sale or rental of foreclosed and vacant units in their Target Area and/or to build new units. Through outreach, housing counseling and marketing, and predevelopment activities Beneficiary and Team Partners will work to keep families in their homes, and to create, track and develop a pool of qualified home buyers and renters for rehabbed and new homes.

Specifically, services to be provided by Beneficiary, Team Partners and Approved Affiliates shall include the following:

- **Rock Island Economic Growth Corporation (Beneficiary)** will serve as fiscal agent and project monitor, responsible for allocated funds to team partners, monitoring the progress of work performed by funded and unfunded team partners, distributing and collecting all reports required to be submitted in paragraph 33 of this Agreement. Beneficiary will further manage the development of 134 single and multi-family housing units via six different sites or initiatives within the jurisdictions of team partners, and will provide the related homebuyer counseling and education within the Northwestern Illinois Housing Coalition regional area. Beneficiary anticipates supporting 250 households per year, through counseling, and leveraging AG grant funds 3-to-1 with an additional \$10,500,000 of leveraged commitments. The six specific development sites and initiatives to be led by the Beneficiary are as follows:
  1. ***The Locks, (Census Tract 17161022600)*** is a 34 unit, new construction multifamily affordable rental. It is a transit-Oriented development that links housing and transportation, supporting the Livable Communities Initiative, an effort that strengthens the link between transit and communities.
  2. ***Star Block Lofts, (Census Tract 17161022600)*** is a rehabilitation of a historic building in downtown Rock Island. Of the 8 units, 2 are targeting veterans with special needs and individuals who want to live near work.
  3. ***Villas at College Hill (Census Tract 17161022800)*** is a project in partnership with Augustana College, Rock Island and consists of building 3 new infill single family, affordable housing units in a foreclosed subdivision.
  4. ***Boese and Lawrence Predevelopment (Census Tract 17195001100)***: These grant dollars will assist with the predevelopment costs of two multifamily buildings in downtown Sterling. This work will restore significant historical buildings and create up to 40 additional rental units in a community that lacks livable rental units.
  5. ***Single family rehab initiative (scattered site)***: The cities of East Moline and Morrison will use grant dollars to acquire vacant or abandoned single family units and rehabilitate them in an effort to stabilize neighborhoods and utilize existing housing stock.
  6. ***Single family new construction initiative (scattered site)***: The cities of Moline, Sterling and Fulton will use grant funds as leverage to private debt, other grant dollars, (Example:

Moline and Sterling leveraging NSP2 Program Income) to create new single family affordable housing units in their communities.

- **The City of Rock Island** (Unfunded Partner) will support Beneficiary's demolition, acquisition and rehab activities for scattered site in priority Target areas. The Unfunded Partner will provide leveraged dollars for demolition activities, and work with Beneficiary to identify areas and projects of greatest need. GROWTH will manage program funds on behalf of the City of Rock Island.
- **The City of Moline** (Funded Partner) will contribute to Beneficiary's new construction activities in priority Target area. The Funded Partner will provide leveraged dollars (such as NSP 2 Program Income) to create new single family affordable housing units to continue the successful progress that began with NSP 2.
- **City of East Moline:** (Funded Partner) will contribute to Beneficiary's demolition, acquisition and rehab activities in priority Target areas. The Funded Partner will use grant dollars to acquire vacant or abandoned single family units and rehabilitate them in an effort to stabilize neighborhoods and utilize existing housing stock. **City of Sterling:** (Funded Partner) will contribute to Beneficiary's demolition activities in priority Target areas, as well as the predevelopment of two multifamily properties in downtown Sterling (Census Tract 17195001100). The funded partner will contribute to the Beneficiary's new construction activities in priority Target areas by leveraging private debt, other grant dollars (such as NSP 2 Program Income) to create new single family affordable housing units to continue the successful progress that began with NSP 2.
- **City of Fulton:** (Funded Partner) will contribute to Beneficiary's new single family construction activities in priority Target areas. The Funded Partner will use grant funds as leverage to private debt and other grant dollars to create single family affordable housing units in scattered sites **City of Morrison:** (Funded Partner) will contribute to Beneficiary's acquisition and rehab activities in priority Target areas. The Funded Partner will use grant dollars to acquire vacant or abandoned single family units and rehabilitate them in an effort to stabilize neighborhoods and utilize existing housing stock.
- **Arc of the Quad Cities:** (Funded Partner) will contribute to the demolition and new construction of 6 new group homes in priority in scattered sites in Moline and Rock Island. With the Funded Partner serving as lead on this development, these homes will serve up to 6 individuals with special needs, per the Ligas Consent Decree.
- **Project NOW:** (Funded Partner) will contribute to the rehab and improvements of an existing property in the New Old Chicago Neighborhood, Rock Island (Census Tract 17161022600) with expiring tax credits in priority Target area. Project NOW will also use funds to rehabilitate 2 units in an underutilized building in downtown Rock Island to create 2 affordable housing rental units. The Funded Partner is serving as lead on these developments

**Beneficiary, Team Partners' and Approved Affiliates' goals are** to implement a sustainable revitalization strategy, leveraging and aligning the expertise of public and private partners in prioritized redevelopment in the Quad Cities, and creating economic impact by increasing local tax base and providing jobs and services through the use of AG grant funds.

In order to achieve above-stated goals and National Foreclosure Settlement ("NFS") goals for housing counseling and community revitalization awards, Beneficiary will abide by affordability requirements by other funders, and will sell/ rent housing units at or below 120% of the area median income based on requirements by any projects that leverage Neighborhood Stabilization Funds, State Donation Tax Credits and HOME funds. Beneficiary will sell/rent housing units that are created to stabilize the local

housing market in targeted neighborhoods at the market price. It is anticipated that some homes may be sold or rented to households exceeding 120% of AMI. The affordability requirements of other funders include a 5 year recapture agreement for homeowners purchasing units assisted with HOME or NSP funds and 10 to 15 year regulatory agreements for multi-family projects assisted with State Donation Tax Credit proceeds, NSP funds and / or HOME funds.

In addition, Beneficiary, Team Partners and/or Approved Affiliates shall make best efforts to participate fully in all relevant trainings and technical assistance offered by other awardees of these NFS awards throughout the term of this contract that are relevant to the Project described herein, including but not limited to participation in webinars, workshops, and individual sessions with technical assistance providers. Beneficiary, Team Partners and Approved Affiliates shall in good faith consider using the recommendations of the training and technical assistance providers for the Project described herein.

5. **MODIFICATION OF SERVICES.** Beneficiary shall not change, modify, revise, alter, amend, or delete any part of the services it has agreed to provide or change, alter, or extend the time constraints for the provision of such services as provided herein without the prior written consent of the Attorney General.
6. **ASSIGNMENT AND SUBCONTRACTING.** Beneficiary shall make no assignment of this Agreement, or of any right accruing under this Agreement or of any Funds distributed to Beneficiary pursuant to this Agreement and shall not subcontract any part of this Agreement without prior permission from the Attorney General, except to Team Partners and Approved Affiliates. Beneficiary shall provide a copy of this Agreement to Approved Affiliates and any party with whom Beneficiary and Approved Affiliates may contract in connection with the services provided hereunder and shall require that any such subcontract or assignment incorporate by reference the terms and conditions of this Agreement, as applicable, so that each provision of this Agreement shall be binding upon each Team Partner, Approved Affiliate, subcontractor or assignee.
7. **TERMINATION OF AGREEMENT.** This Agreement may be terminated and canceled for cause by the Attorney General, by giving written notice to Beneficiary thirty (30) days in advance of such termination and cancellation, delivered by certified mail, return receipt requested, to Beneficiary as hereinafter provided. In the event that this Agreement is terminated prior to the expiration date of this Agreement, Beneficiary shall promptly return to the Attorney General all unexpended Funds and any Funds that have been expended in violation of this Agreement. Termination for "cause" in this Agreement includes but is not limited to: (i) any failure to observe or perform any obligations under this Agreement; and (ii) making any misrepresentations or false certifications under this Agreement.

In the alternative, when the Attorney General finds cause for termination by the Beneficiary or one of its subcontractors or assignees, the Attorney General may:

- a) Withhold all or any portion of the payments owed until the cause for termination is cured to the Attorney General's satisfaction. If the Attorney General finds cause for termination the Attorney General has the option to continue payments to the Beneficiary for portions of the contract not being performed by the subcontractor or assignee;
- b) Require additional oversight by the Attorney General, including compliance and quality controls;

- c) Require the submission of additional information with respect to the Beneficiary or its subcontractors or assignees financial condition or ability to continue performance under the Agreement; and,
- d) Require the Beneficiary to terminate for cause the contract between the Beneficiary and subcontractor or assignee.

8. EXPENDITURE OF FUNDS. All Funds distributed hereunder shall be expended within the term of this Agreement. Any Funds not expended or legally obligated by the end of the term of this Agreement must be returned to the Attorney General within forty-five (45) days after the end of the term of this Agreement, unless otherwise provided in this Agreement.

Any income generated and received by Beneficiary as a result of its use of the Funds shall be disclosed to the Attorney General in its reporting as described in Paragraph 33 of this Agreement and shall be used by Beneficiary in furtherance of its Description of Services provided in Paragraph 4 of this Agreement and the use of said income shall be governed by all provisions of this Agreement.

## MONITORING

9. MONITORING. The Beneficiary hereby acknowledges and agrees that the Attorney General and its designated monitoring committee may inspect or monitor, or retain third parties to inspect or monitor, the Beneficiary's compliance with the terms, conditions, and covenants of this Agreement.

## REPRESENTATIONS AND WARRANTIES

10. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAW. Beneficiary certifies that it shall at all times, in the performance of this Agreement, comply with all applicable federal, State, and local laws and regulations, as may be applicable to Beneficiary in the performance of the Services described in this 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 Historic 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. Beneficiary 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 Agreement shall be construed in accordance with and governed in all respects by the laws of the State of Illinois.

11. **PROVISION OF FALSE INFORMATION.** Beneficiary acknowledges that the provision of false or misleading information to the Attorney General in connection with this 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 Beneficiary agrees to immediately disclose to the Attorney General any discovered credible evidence, in connection with this Agreement, that a management official, employee, or contractor of the Beneficiary has committed, or may have committed, a violation of the referenced statutes in this Section or other wrongdoing.
12. **CHARITABLE ORGANIZATION STATUS.** Beneficiary 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.
13. **GOOD STANDING AND AUTHORITY TO ACT.** Beneficiary certifies that it is a duly organized Illinois not for profit organization 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 501(c)(1) or 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c).
14. **CERTIFICATIONS BY HOUSING COUNSELING AGENCIES.** Beneficiary certifies that it is HUD-certified agencies and shall remain HUD-certified agencies throughout the term of the Agreement, and that all employees providing HUD-certified housing counseling services shall be approved/certified counselors or will become approved/certified counselors through training provided by NeighborWorks America, within one year of the date of this Agreement or a later date if approved by the office of the Attorney General. The Beneficiary certifies that its Team Partner will adhere to the National Industry Standards Code of Ethics and Conduct as appropriate for the counseling it will provide under this Agreement, created by the Advisory Council for the National Industry Standards for Homeownership Education and Counseling.
15. **DISCRIMINATION OF PROGRAM PARTICIPANTS.** Beneficiary certifies that it shall not, in the selection of persons for participation in services in connection with this 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.
16. **LITIGATION.** The Beneficiary 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 Beneficiary'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 Agreement or the ability of the Beneficiary to perform its respective obligations hereunder.

17. **PRIVACY.** The Beneficiary certifies that the Beneficiary 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 Beneficiary acts as a "financial institution" under the GLB Act, by becoming significantly engaged in providing financial services such as loans to individuals, the Beneficiary 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.
18. **CONFLICT OF INTEREST.** Beneficiary certifies that no board member, officer, agent or representative of the Beneficiary, or employee of the Beneficiary 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 Beneficiary is a party pursuant to the terms of this Agreement;
  - (b) shall disclose or use confidential, special, or inside information of or about the Beneficiary, the services provided by the Beneficiary under this Agreement, or this Agreement for personal profit or advantage;
  - (c) shall influence the Beneficiary's business, administrative, or material decisions in furtherance of this Agreement, in a manner that leads to his or her personal gain or advantage;
  - (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 paragraph, 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:

- (1) An ownership or investment interest in any entity or individual with which the Beneficiary has entered into a contract, transaction, or other arrangement or which seeks to enter into a business relationship with the Beneficiary;
- (2) A compensation arrangement with any entity or individual with which the Beneficiary has entered into a contract, transaction, or other arrangement or which seeks to enter into a business relationship with the Beneficiary; or
- (3) A potential ownership interest, investment interest, or compensation arrangement with any entity or individual with which the Beneficiary 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.

19. DISCRIMINATION.

(a) Beneficiary hereby agrees to:

- i) 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;
- ii) Comply with the procedures and requirements of the regulations of the Department of Human Rights concerning equal employment opportunities and affirmative action; and
- iii) 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.

(b) 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, whether directly or through contractual arrangements, in the provision of any aid, benefit, or service. As a condition to this Agreement, Beneficiary certifies that services, programs, and activities provided under this Agreement are and will continue to be in compliance with the ADA.

20. SEXUAL HARASSMENT POLICIES. Beneficiary 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 Beneficiary's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the 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.

21. IMMIGRATION REFORM AND CONTROL ACT OF 1986. Beneficiary hereby certifies that Beneficiary has complied with the provisions and requirements of the Immigration Reform and Control Act of 1986 (Public Law 99-603, effective November 6, 1986), which, in part, prohibits employers from knowingly hiring undocumented workers.

22. BRIBERY. Beneficiary 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.

23. FELONY CONVICTION. Beneficiary 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 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.

24. **SARBANES-OXLEY ACT.** Beneficiary 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 Agreement.
25. **DEBT DELINQUENCY.** Beneficiary certifies that neither it nor any of its authorized agents is delinquent in the payment of any debt to the State, or, if it or one of its authorized agents is delinquent in the payment of any debt to the State, that it or its authorized agent has entered into a deferred payment plan to pay off the debt.
26. **ENVIRONMENTAL PROTECTION ACT.** Beneficiary 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 Agreement, or, if it or one of its authorized agents has, Beneficiary certifies that no person involved in the violation continues to have any involvement with its business.
27. **EDUCATIONAL LOANS.** To the extent that the Educational Loan Default Act (5 ILCS 385/0.01 *et seq.*) applies to this Agreement, Beneficiary certifies that neither it nor any of its authorized agents is in default on an educational loan.
28. **DUES TO CLUBS WHICH DISCRIMINATE.** Beneficiary 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.
29. **DRUG FREE WORKPLACE CERTIFICATION.** Beneficiary certifies and agrees that it will provide a drug free workplace as provided under section 3 of the Drug Free Workplace Act (30 ILCS 580/3) by:

(a) Publishing a statement:

- i) Notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance, including cannabis, is prohibited in Beneficiary's workplace;
- ii) Specifying the actions that will be taken against employees for violations of such prohibition; and
- iii) Notifying the employee that, as a condition of employment on this Agreement, the employee will:
  - A) Abide by the terms of the statement; and
  - B) Notify the employer of any criminal drug statute conviction or a violation occurring in the workplace no later than five (5) days after such conviction.

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

- i) The dangers of drug abuse in the workplace;
  - ii) Beneficiary's policy of maintaining a drug free workplace;
  - iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - iv) The penalties that may be imposed upon an employee for drug violations.
- (c) Providing a copy of the statement required by subsection (a) to each employee engaged in the performance of this Agreement and posting the statement in a prominent place in the workplace.
- (d) Notifying the Attorney General within ten (10) days after receiving notice under part (B) of paragraph (iii) of subsection (a) above from an employee or otherwise receiving actual notice of such conviction.
- (e) Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by section 5 of the Drug Free Workplace Act (30 ILCS 580/5).
- (f) Assisting employees in selecting a course of action in the event drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.
- (g) Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act (30 ILCS 580/1 *et seq.*)

30. TAXPAYER IDENTIFICATION NUMBER CERTIFICATION. Beneficiary certifies, under penalty of perjury, that its Federal Taxpayer Identification Number listed herein is accurate and true. Beneficiary further certifies that it is not subject to backup withholding because: (a) Beneficiary is exempt from backup withholding; (b) Beneficiary has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified Beneficiary that it is no longer subject to backup withholding. Beneficiary also certifies that it is a U.S. citizen or other U.S. person.

TIN Number (Employer Identification Number): 36-4090773

Beneficiary certifies that it is performing the services covered by this Agreement as a (please check appropriate legal status):

Tax-exempt not for profit corporation  
 (Provide the name of corporation) **Rock Island Economic Growth Corporation**

Governmental entity  
 (Provide the name of governmental entity) \_\_\_\_\_

31. FALSE CERTIFICATIONS. Beneficiary acknowledges that responding falsely to any of the certifications required by this Agreement shall constitute cause under paragraph 7.

32. NOTICES. All notices required to be served shall be served by certified mail, return receipt requested, duly addressed and postage prepaid. Notices shall be sent to the Parties at the addresses given below, unless otherwise instructed:

ATTORNEY GENERAL:

Kim Pulliam  
Administrator  
Attorney General of the State of Illinois  
500 South Second Street  
Springfield, Illinois 62706

BENEFICIARY:

Rock Island Economic Growth Corporation  
Attention: Brian Hollenback  
President  
100 19<sup>th</sup> Street, Suite 109  
Rock Island, Illinois 61201

In all correspondence between the Parties with respect to this Agreement, the case number shall be clearly identified and referred to. The case number of this Agreement is FSR-Community Revitalization # 13-039.

33. REPORTS. During the term of this Agreement, Beneficiary shall provide to the Attorney General the following information and reports:
- a) Notice of any reports submitted to other funders of this project by Beneficiary, Team Partners, Approved Affiliates or other approved subcontractors;
  - b) Any reports submitted to other funders of this project by Beneficiary, Team Partner(s) or other approved subcontractors upon request from the Office of the Attorney General;
  - c) Annual audited financial statements of the Beneficiary and, upon request, of Team Partner(s) and/or other approved subcontractors;
  - d) Semi-annual narrative explanations of the completion of goals to date by Beneficiary including information on performance and completion of goals to date by Team Partner(s) and/or other approved subcontractors; and,
  - e) Any other such periodic reports as the Office of the Attorney General deems necessary.

Reporting deadlines shall be calculated from the date of commencement of this Agreement, as stated in Paragraph 1, above.

Reports must be submitted to:

Kim Pulliam  
Administrator  
Office of the Attorney General

500 South Second Street  
Springfield, Illinois 62706

Failure to comply with the reporting requirements or deadlines may result in the delay of payment, the withholding or suspension of the distribution of the Funds, or the termination of this Agreement.

34. **MAINTENANCE OF RECORDS.** Beneficiary 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 the Funds were provided under this Agreement, including the amounts, recipients, and uses of all disbursements of the Funds passing in conjunction with the Agreement for a period of five (5) years after the completion of the Agreement. Beneficiary shall make available all books, records, and papers related to the Agreement for review and audit by the Auditor General of the State of Illinois, the Attorney General, or their designees. Beneficiary agrees to cooperate fully with any audit conducted hereunder and to provide full and free access to all relevant materials. Beneficiary's failure to maintain the books, records, and papers required by this paragraph shall establish a presumption in favor of the Attorney General for the recovery of any Funds paid under the Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.
35. **STATUS.** Nothing in this Agreement shall be considered to create the relationship of employer and employee or principal and agent between the Parties.
36. **SEVERABILITY.** This Agreement and all provisions hereof are intended to be whole and entire, and no provision or any part hereof is intended to be severable.
37. **BINDING AGREEMENT.** This Agreement shall be binding upon, and its benefits and obligations shall inure to each of the Parties, their representatives, successors, and assigns.
38. **BINDING AUTHORITY.** The signatories below acknowledge that they have the lawful authority to bind the Parties for whom they are signing to the terms of this Agreement.
39. **COUNTERPARTS.** This Agreement may be signed in counterparts, each of which, when so executed and delivered to the other party, shall be deemed an original. Facsimile and other electronically transmitted signatures are valid and binding. The Agreement shall be deemed fully executed on the date upon which it has been executed by both Parties.
40. **MODIFICATION OF AGREEMENT.** No alteration, amendment, modification, variation, addition, or deletion of any provision of this Agreement shall be effective unless it is in writing and signed by both Parties.
41. **INDEMNIFICATION.** By its execution of this Agreement, the Beneficiary agrees to and shall indemnify and hold the Attorney General and its officials, employees, agents, affiliates, independent contractors and respective successors and assigns harmless against all claims, liabilities, costs, damages, judgments, suits, actions, causes of action, losses and expenses, including reasonable attorney's fees and costs of suits, relating to, arising out of, or resulting from the Beneficiary's breach of the Agreement or violation of law, willful misconduct or negligence relating to any act or omission of the Beneficiary or its officials, employees, agents, affiliates or independent contractors and respective successors and assigns.

42. **INSURANCE REQUIREMENTS.** Beneficiary 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:

Awardees: Beneficiary shall keep sufficient insurance coverage in place during the term of this 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 hereunder.

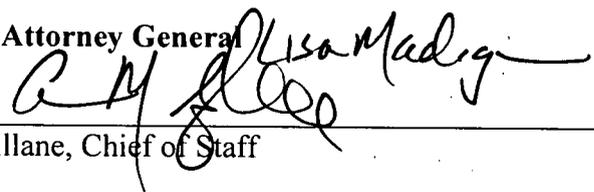
Property Owner's Insurance Policies: For any entity that owns and develops real property acquired or rehabilitated by these Funds, the following insurance coverages shall be secured: Property, Builder's Risk, and Comprehensive General Liability Insurance. Property Owner's Insurance Coverage shall also 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.

43. **TITLE COMPANY REQUIREMENTS.** All Beneficiaries who are using Funds to acquire and rehabilitate real property shall engage a title company (the "Title Company") to establish a construction escrow account (the "Escrow Account") and to process the disbursement of 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 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.
44. **ENTIRE AGREEMENT.** This Agreement represents the entire agreement between and among the Parties. All agreements, covenants, and representations made by the Parties concerning the subject matter of this Agreement are contained in this Agreement and superseded by this Agreement.

Attest:

Lisa Madigan, Attorney General

By: 

Ann Spillane, Chief of Staff

Date

7/2/14