

County of Kane
Office of County Board
Kane County Government Center



Karen McConnaughay
Chairman
630-232-5930



719 Batavia Avenue
Geneva, Illinois 60134
Fax 630-232-9188

CHAIRMAN:
5 separate
agreements
to sign.

DOCUMENT VET SHEET

for
Karen McConnaughay
Chairman, Kane County Board

Name of Document: Subrecipient Agreements
(5 separate documents are enclosed)

Submitted By: Scott Berger (208-5351)

Date Submitted: November 2, 2012

Examined by: Joseph Lulves
(Print name)

[Signature]
(Signature)

11-5-12
(Date)

Post on Web: Yes No Atty. Initials [Initials]

Comments:
Enclosed for Chairman McConnaughay's review and signature are five subrecipient agreements. The agreements outline the terms and conditions under which the county will provide federal funds to the Village of Carpentersville, PADS of Elgin, PADS (Aurora), Lazarus House, and NHS of the Fox Valley.

Chairman signed: Yes No November 7, 2012
(Date)

Document returned to: Scott Berger

Thank you!
Scott

**HOME PROGRAM SUBRECIPIENT AGREEMENT
BETWEEN KANE COUNTY, ILLINOIS
AND
NHS OF THE FOX VALLEY, INC.**

THIS AGREEMENT, effective _____, by and between Kane County, Illinois (herein called the "County"), and NHS of the Fox Valley, Inc. (herein called the "Subrecipient").

WHEREAS, the County, as the lead entity of the Kane-Elgin HOME Consortium (herein called the "Consortium"), has received an award of Federal funds under the HOME Investment Partnerships Program (herein called "HOME Program"), pursuant to the National Affordable Housing Act of 1990 (PL-101-605), as amended, and Title XIII of the Omnibus Reconciliation Act of 1993 (26 U.S.C. 1391, et seq.); and

WHEREAS, the Catalog of Federal Domestic Assistance (CFDA) Number for said funds is 14-239 and they are administered by the U. S. Department of Housing and Urban Development (herein referred to as "HUD"); and

WHEREAS, the Consortium wishes to utilize a portion of said funds to provide downpayment and closing cost assistance to first-time homebuyers within the Consortium Area; and

WHEREAS, the Consortium wishes to engage the Subrecipient in the delivery of said services.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein, the parties hereto agree as follows:

I. Use of HOME Funds

The County shall provide the Subrecipient an amount not to exceed \$225,000.00 (from HOME Grant #M12DC170220) to complete the project described in Exhibit A. Funds provided herein shall be used in the manner described in said exhibit, which includes a description of the project, the tasks to be performed by the Subrecipient, a schedule for completing the tasks, and a project budget.

II. Program Income

Pursuant to 24 CFR Part 92.503, Program Income, including but not limited to the following, shall be remitted by the Subrecipient to the County within 30 days of receipt by the Subrecipient:

- A. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated or constructed with HOME funds or matching contributions;
- B. Gross income from the use or rental of real property, owned by the Subrecipient, that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less costs incidental to generation of the income;
- C. Payments of principal or interest on loans made using HOME funds or matching contributions;
- D. Proceeds from the sale of loans made with HOME funds or matching contributions;
- E. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;
- F. Interest earned on program income pending its disposition; and
- G. Any other interest or return on investment permitted under 24 CFR Part 92.205(b) of HOME funds or matching contributions.

III. Uniform Administrative Requirements

The Subrecipient shall comply with all applicable laws, orders, and codes of the Federal, State and local governments as they pertain to this Agreement, including, but not limited to, the requirements of OMB circulars A-87, A-122, A-110, and A-133, and 24 CFR Part 84 (84.2, 84.5, 84.13-84.16, 84.21, 84.22, 84.26-84.28, 84.30, 84.31, 84.34-84.37, 84.40-84.48, 84.51, 84.60-84.62, 84.72, and 84.73). The Subrecipient shall assist the County in complying with all of the terms and conditions of the government grants under Title XIII, Subchapter C, Part I of the Omnibus Budget Reconciliation Act of 1993 (26 U.S.C. 1391, et seq.), which are incorporated herein and made a part of this Agreement by reference. The Subrecipient shall comply with all requirements of the HOME Program as set forth in HUD regulations 24 CFR Part 92, including subpart F, of the National Affordable Housing Act of 1990 (PL-101-625), as amended.

IV. Property Standards

At a minimum, housing units rehabilitated under this Agreement shall meet Section 8 Housing Quality Standards (HQS).

V. Other Program Requirements

A. Non-discrimination and Equal Opportunity

In carrying out this Agreement, the Subrecipient shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, familial status, handicap, or national origin. The Subrecipient shall take the necessary steps to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, familial status, handicap or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The Subrecipient, upon execution of this Agreement, shall agree that all qualified candidates will receive consideration for employment without regard to race, color, religion, sex, age, familial status, handicap, or national origin.

B. Disclosure Requirements

The Subrecipient shall maintain and disclose accurate, current, and complete financial results of all activities performed under this Agreement, in accordance with generally accepted business practices. If the Subrecipient's accounting records are maintained on a cash basis, the Subrecipient shall develop information of accounts payable and accounts receivable through an analysis of the documents in the file, or on the basis of its best estimates.

C. Debarred, Suspended, or Ineligible Contractors

The Subrecipient shall not award any contract covered under this Agreement to any contractor who is, at the time of contract award, ineligible under the provisions of any applicable regulation of the County, the State of Illinois, or the Federal Government to receive an award of such contract.

D. Drug-Free Workplace

The Subrecipient will (or will continue to) provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, 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;
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Subrecipient's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph 1.
4. Notifying the employee in the statement required by subparagraph 1 that, as a condition of employment under the grant, the employee will:
 - a. Abide by the terms of the statement; and
 - b. 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 calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notices shall include the identification number(s) of each affected grant;
6. Taking on of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - a. 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
 - b. 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;
7. Make good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs 1, 2, 3, 4, 5, and 6.

E. Environmental Review

The Subrecipient agrees to comply with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58, including any requirements which may be imposed by the Consortium as a result of its responsibility for environmental review, decision making, and action under NEPA.

The Subrecipient shall assist the County in meeting its environmental review responsibilities by providing the address and Property Identification Number (PINs) for each property proposed for purchase with assistance provided herein. The County will prepare an Environmental Review Record for each such

property and will supply the Subrecipient with a copy of said review in a timely fashion so that the Subrecipient may advise the client of the eligibility of the property.

F. Displacement, Relocation and Acquisition

If applicable, the Subrecipient agrees to provide relocation assistance for displaced persons at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C.4201 to 4655) and 49 CFR Part 24.

G. Lead-Based Paint

All homes purchased with assistance provided herein are subject to HUD's Lead-Based Paint regulations, which are found at 24 CFR Part 35, as well as the "Lead-Safe Housing Rule" (Title X, Housing and Community Development Act of 2000). Accordingly, the Subrecipient agrees to provide each client with a copy of HUD's lead brochure "Protect Your Family from Lead in Your Home" before they begin their house search. The Subrecipient further agrees to perform a visual lead inspection of homes built prior to 1978 that are proposed for purchase with assistance provided herein. The Subrecipient shall document the results of each inspection with a Visual Assessment Report. Prior to closing, all pre-1978 homes must be found to be free of peeling, flaking, and chipping paint on both interior and exterior surfaces.

H. Conflict of Interest

The Subrecipient guarantees that no member of, or delegate to, the Congress of the United States will be admitted to any share or part of this Agreement or to any benefit that may arise from the same. The Subrecipient agrees that no member of any governing body of any locality in which the Subrecipient is situated, and no public official of such locality or localities who exercises any function or responsibility with respect to this Agreement during his/her tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement. Unless expressly permitted by HUD, the Subrecipient agrees that no person who is an officer, employee, agent, or consultant of the Subrecipient and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds, or who is in a position to participate in a decision-making process or to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from such HOME-assisted activities, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure, or for one (1) year thereafter. Unless expressly permitted by the County, no Subrecipient, or officer, employee, agent, or consultant of the Subrecipient may occupy a HOME-assisted housing unit.

I. Consultant Activities

The Subrecipient shall comply with 24 CFR Part 92.358 regarding the rate of compensation for personal services paid with HOME funds.

VI. Affirmative Marketing

If funds provided herein are used for housing containing five or more HOME-assisted units, then the Subrecipient shall comply with the County's Affirmative Marketing Procedures, which shall be deemed incorporated herein as if set forth at length.

VII. Requests for Disbursements of Funds

In consideration of the work performed hereunder, the County will pay the Subrecipient with HOME funds available under this Agreement for eligible costs, consistent with the project budget contained herein (see Exhibit A), and based on requests submitted by the Subrecipient on forms provided herein (see Exhibit B). The disbursement of funds shall be subject to the submission of the following items to the County at least two weeks prior to each scheduled closing:

- A. A properly completed and signed Request for Payment Form and First-Time Homebuyer Completion Form;
- B. The Closing Checklist with the property address and closing company information filled in;
- C. Wiring instructions from the closing company;
- D. A copy of the Notice of Intent/Voluntary Sale Notice showing that this was a voluntary sale by the owner;
- E. A copy of the Lead Visual Assessment Report;
- F. A copy of the executed purchase contract with riders;
- G. A copy of the Homebuyer Certificate
- H. A copy of the appraisal;
- I. A copy of the satisfactory well/septic report, if property is in unincorporated Kane County;
- J. A copy of the HQS Inspection;and
- K. A copy of the final financing commitment letter for the first mortgage lender.

Upon review and acceptance of the aforementioned items, the County will forward the second mortgage, note, and closing instructions to the Subrecipient for the closing. The County will wire transfer the downpayment and closing-cost assistance directly to the closing company, and disburse project delivery payments directly to the Subrecipient.

The Subrecipient may not request the disbursement of HOME funds under this Agreement until the funds are needed for the payment of eligible HOME costs. The amount of each request must be limited to the amount needed for such costs at the time the request is submitted to the County. Advance disbursements of HOME funds are not permitted under this Agreement.

The presentation of requests for the disbursement of HOME funds on the part of the Subrecipient shall constitute a warranty and representation by the Subrecipient to the County that the amounts requested are elements of the project budget contained herein; that all such amounts are required for the payment of eligible costs that were actually incurred by the Subrecipient; and that the Subrecipient will use the amounts requested only for eligible purposes under this Agreement. Prior to any disbursement of HOME funds by the County, it reserves the right to perform an independent review of any and all documentation and/or inspect the project site(s) to independently determine that such disbursement is justified. If the County is dissatisfied with the documentation submitted, or the status of the work performed hereunder, it may require the Subrecipient to submit further documentation or perform additional work before it makes any further disbursements under this Agreement. The County reserves the right to reduce funds available under this Agreement for any costs incurred by the County on behalf of the Subrecipient to complete the project to the County's satisfaction. Finally, the County shall not be required to make any disbursements of HOME funds to the Subrecipient if the County is not legally capable or permitted by law to make such disbursements.

VIII. Reversion of Assets

Upon expiration of this Agreement, the Subrecipient must transfer to the County any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.

IX. Records, Inspections, Retention, and Reports

A. Records

The Subrecipient shall maintain such records and accounts, including program records, project records, financial records, program administration records, equal opportunity and fair housing records, affirmative marketing and MBE/WBE records, records demonstrating compliance with the income determination requirements of 24 CFR Part 92.203, recordkeeping requirements of 24 CFR Part 92.508, the environment review requirements of 24 CFR Part 92.352 and 24 CFR Part 58, records demonstrating compliance with the requirements of 24 CFR Part 92.353 regarding displacement, relocation and real property acquisitions, records demonstrating compliance with the labor requirements of 24 CFR Part 92.354, records demonstrating compliance with the lead-based paint requirements of 24 CFR Part 92.355, records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR Part 92.356, debarment and suspension certifications required by 24 CFR Parts 24 and 91, and any other records as are deemed necessary by the County to assure a proper accounting and monitoring of all HOME Funds. In the event the County determines that such records are not being adequately maintained by the Subrecipient, the County may terminate this Agreement as specified herein.

B. Inspections

With respect to all matters covered by this Agreement, records will be made available for examination, audit, inspection, or copying purposes at any time during normal business hours and as often as the County, HUD, representatives of the Comptroller General of the United States, or other Federal agency may require. The Subrecipient will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all contracts, invoices, materials, records of personnel, and of employment and other data relating to all matters covered by this Agreement. The County's right of inspection and audit shall pertain likewise with reference to any audits made by any other agency, whether local, State, or Federal. Failure to provide access to records will be considered default of this Agreement.

C. Retention

The Subrecipient shall retain all records and supporting documentation applicable to this Agreement for the most recent five (5) year period, except as provided below:

1. For homeownership housing projects, records shall be retained for five (5) years after the project completion date, except for documents imposing recapture/resale restrictions which must be retained for five (5) years after the affordability period terminates.
2. Written agreements must be retained for five (5) years after the agreement terminates.
3. Records covering displacements and acquisition must be retained for five (5) years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR Part 92.353.
4. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records

must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

D. Reports

The Subrecipient shall submit to the County quarterly performance reports (Exhibit C) for the duration of this Agreement. Said performance reports shall be submitted according to the following schedule:

1. June 1 through August 31, due on September 15;
2. September 1 through November 30, due on December 15;
3. December 1 through February 28/29, due on March 15; and
4. March 1 through May 31, due on June 15.

X. Enforcement of this Agreement

A default shall consist of any use of HOME funds for any purpose not expressly authorized by this Agreement, noncompliance with the HOME Investment Partnerships Act, any material breach of this Agreement, failure to comply with the audit requirements contained herein, failure to expend HOME funds in a timely manner, or any misrepresentation of information submitted by the Subrecipient to the County. Upon due notice to the Subrecipient of the occurrence of any such default and the provision of a reasonable opportunity to respond, the County may take one or more of the following actions:

- A. Direct the Subrecipient to establish and follow a remediation plan consisting of schedules, timetables, and milestones necessary to correct the default and properly implement the activities funded under this Agreement;
- B. Suspend the disbursement of HOME funds pending correction of the default;
- C. Disallow (that is, deny both use of HOME funds and matching credit for) all or part of the cost of an activity or action likely to be affected by the default;
- D. Cancel or revise activities likely to be affected by the default, prior to expending HOME funds for the activities;
- E. Reprogram unexpended HOME funds from activities likely to be affected by the default to other eligible activities;
- F. Wholly or partially suspend or terminate this Agreement;
- G. Direct the Subrecipient to reimburse the County's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92;
- H. Withhold further awards to the Subrecipient; and/or
- I. Take other appropriate actions that may be legally available.

For the purposes of this Agreement, a reasonable opportunity to respond to any default shall be thirty (30) days from the Subrecipient's receipt of the County's written notice of default. No delay or omission by the County and/or HUD in exercising any right or remedy available under this Agreement shall impair any such right or remedy, or constitute a waiver or acquiescence of any other default committed by the Subrecipient.

XI. Suspension or Termination of this Agreement

In accordance with 24 CFR Part 85.43, the County may suspend or terminate this Agreement in whole or in part if the Subrecipient materially fails to comply with any term contained or referred to herein. This Agreement may be terminated by either party for convenience in accordance with 24 CFR Part 85.44. In such instance, the party wishing to terminate this Agreement shall provide not less than thirty (30) days advance written notice to the other party at its address as herein specified.

XII. Amendments

This Agreement may be amended or modified by a written instrument executed by the duly authorized representatives of the parties hereto. In addition, the County may, in its sole discretion, amend this Agreement to conform to federal, state or local policies and/or guidelines, and available funding amounts.

XIII. Funds to Other Parties

If the Subrecipient provides HOME funds to other parties (including, but not limited to, for-profit owners or developers, nonprofit owners or developers, homeowners, homebuyers, and/or contractors) the Subrecipient shall have written agreements with those parties that meet the requirements of 24 CFR Part 92.504.

XIV. Project Publicity

Any news release or other type of publicity pertaining to the work performed pursuant to this Agreement shall recognize the Consortium as a sponsor, funded by HUD.

XV. Audit Requirements

In the event, that during the period of this Agreement, the Subrecipient expends more than \$500,000.00 in federal funds in an operating year from this and other federal grants, the Subrecipient shall, at its own cost and expense, cause to be carried out an independent audit. The audit shall be completed, and a copy furnished to the County, within the earlier of thirty (30) days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period, unless a longer period is agreed to in advance by the County. For the purposes of this Agreement, an operating and/or audit year is equivalent to the Subrecipient's fiscal year. The determination of when funds provided herein are expended is based on when the activity related to the expenditure occurs.

The audit shall be conducted in compliance with the Office of Management and Budget Circular No. A-133, as amended and 24 CFR Parts 44 and 45, which are made a part of this Agreement by reference thereto. In the event the audit shows that the entire funds disbursed hereunder, or any portion thereof, were not expended in accordance with the conditions of this Agreement, the Subrecipient shall be held liable for reimbursement to the County of all funds not expended in accordance with these applicable regulations and Agreement provisions within thirty (30) days after the County has notified the Subrecipient of such non-compliance. Said reimbursement shall not preclude the County from taking any other action as provided herein.

If the Subrecipient does not expend more than \$500,000.00 in federal funds in an operating year, the Subrecipient shall provide the County with its annual financial statement within ninety (90) days of the end of its operating year. Said financial statement shall be prepared by an actively licensed certified public accountant.

XVI. Lobbying Certification

The Subrecipient certifies that it will comply with, and uphold as its responsibility the following:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, 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 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, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. 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 Subrecipient will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

XVII. Evaluation

The County shall be responsible for monitoring and evaluating all aspects of the services provided by the Subrecipient under this Agreement. Said evaluation shall be accomplished by the County through a management evaluation of the services provided under this Agreement. The County shall have access to and be able to make copies and transcriptions of such records as may be necessary in the determination of the County or HUD to accomplish this evaluation. In order to properly monitor and evaluate the Subrecipient's performance under this Agreement, the County shall make on-site inspections as often as it deems necessary. Failure by the Subrecipient to assist the County in this effort, including allowing the County to conduct on-site inspections and have access to the Subrecipient's records, shall constitute default and result in the imposition of sanctions as specified herein.

XVIII. Indemnification

The Subrecipient shall indemnify, defend, and hold harmless the County from and against any and all liability, injury, loss, claims, damages, costs, attorneys' fees, and expenses of any kind or nature, which the County may sustain, suffer, or incur or be required to pay by reason of:

- A. The loss of any monies paid to the Subrecipient;
- B. Fraud, defalcation, or dishonesty on the part of any person representing, employed by, contracted, or subcontracted by the Subrecipient;
- C. Any act, omission, wrongdoing, misconduct, want of care or skill, negligence, or default on the part of the Subrecipient or any of its contractors, subcontractors, sub-subcontractors, materialmen, suppliers, and laborers in the execution or performance of this Agreement; or
- D. A judgment, regardless of whether such judgment is covered by the insurance required under this Agreement.

The indemnity hereunder shall survive termination of the Agreement. In the event that any action, suit, or proceeding is brought against the County upon any liability arising out of the Agreement, or any other matter indemnified against, the County at once shall give notice in writing thereof to Subrecipient by registered or certified mail addressed to Subrecipient. Upon receipt of such notice, Subrecipient, at its own expense, shall defend against such action and take all such steps as may be necessary or proper to prevent the obtaining of a judgment against the County.

XIX. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the County. The Subrecipient shall ensure that Workers' Compensation Insurance coverage is provided for all employees involved in the performance of this Agreement. The Subrecipient shall comply with the bonding requirements of OMB Circular A-110.

XX. Negation of Agent or Employee Status

The Subrecipient shall perform under this Agreement as an independent agent, and nothing contained herein shall in any way be construed to constitute the Subrecipient or any of its officers, assistants,

representatives, agents, subagents, employees, contractors, partners, affiliates, holding companies, or subsidiaries to be representatives, agents, subagents, or employees of the County.

The Subrecipient understands that the County is not required to withhold any federal income tax, social security tax, state and local tax, or to secure workers' compensation insurance or employers' liability insurance of any kind, or to take any other action with respect to such insurance or taxes of the Subrecipient, or its officers, assistants, representatives, agents, subagents, employees, or contractors.

In no event and under no circumstance shall any provision of this Agreement make the County liable to any person or entity that contracts with or that provides goods or services to the Subrecipient in connection with services the Subrecipient has agreed to perform hereunder or otherwise, or for any debts or claims of any nature accruing to any person or entity against the Subrecipient. There is no contractual relationship, either express or implied, between the County and any person or entity supplying any work, labor, services, goods, or materials to the Subrecipient as a result of this Agreement.

XXI. Assignability

The Subrecipient may not assign or transfer any of its rights, duties, or obligations under this Agreement without the County's express written authorization and, if required by law, the written authorization of HUD. The Subrecipient may, however, subcontract the development, construction, and/or rehabilitation of housing units to properly licensed contractors.

XXII. Cumulative Remedies/Successors and Assigns

The rights and remedies herein expressed are cumulative and not exclusive of any other rights, which the County may otherwise have at law or in equity. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

XXIII. Jurisdiction/Interpretation

This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois. Venue shall be in Kane County, Illinois. In the event any legal proceeding arises as a result of the performance of this Agreement, the Subrecipient waives any and all right it may have to a jury trial. All paragraph headings contained in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

XXIV. Survival of Provisions

All provisions of this Agreement intended to survive or to be performed subsequent to the end of the period of this Agreement shall survive the termination of this Agreement.

XXV. Notices

The County and the Subrecipient agree that all notices required herein shall be in writing and delivered by mail or hand delivered to the following representatives:

County: Amy Coyne, Housing Specialist
Kane County OCR
719 Batavia Avenue
Geneva IL 60134

Subrecipient: Deborah Moore, Assoc. Director
NHS of the Fox Valley, Inc.
300 Douglas Avenue
Elgin IL 60120

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

KANE COUNTY, ILLINOIS


Signature

Karen McConnaughay, Chairman, County Board
Name and Title (printed)

Date: November 7, 2012

SUB-RECIPIENT

Signature

Ed Jacob, Executive Director
Name and Title (printed)

Date: _____

Exhibit A: Project Description, Tasks, Schedule, and Budget

Project Description

The Subrecipient will provide downpayment and closing cost assistance to approximately 21 income-eligible first-time homebuyers to purchase homes (to serve as their primary residence) in the Consortium Area, which includes all of Kane County (except the municipalities of Algonquin, Aurora, Hampshire, Huntley, and Montgomery) and all of the City of Elgin, including that portion located in Cook County.

The homebuyers (herein called "borrowers") receiving assistance shall satisfy HUD's definition of a first-time homebuyer and have total household incomes at or below 80% of the Area Median Income for the Chicago PMSA (Primary Metropolitan Statistical Area), as established and adjusted annually by HUD. Additionally, at the time of closing, the borrowers (or co-borrowers) shall have lived (or worked full-time) in the Consortium Area for not less than one year, have successfully completed a homebuyer education course acceptable to the Subrecipient, have a downpayment of not less than 1% of the purchase price of the home they wish to purchase, and obtain approval for first mortgage financing that complies with the guidelines contained herein (see Exhibit D).

Qualifying borrowers may purchase a single-family detached home, condominium, or townhome with assistance provided herein. (Manufactured homes are not eligible.) Regardless of the housing type, however, dwellings may not be tenant occupied or located in the 100-year floodplain, must receive environmental clearance from the County, and must pass HQS and visual lead inspections performed by the Subrecipient.

The Subrecipient shall provide up to \$10,000 in downpayment and closing-cost assistance to each qualifying household with funds provided herein. In no case shall the amount of assistance exceed that necessary for the borrower to obtain financing of less than an 80% loan-to-value ratio (based on the appraised value) and cover all reasonable and customary closing costs. Assistance will be provided as an interest-free, deferred-payment loan, which shall be secured by a second mortgage payable to the County. The loan will not be due until the home is sold, the title is transferred, or the borrower no longer occupies the home as their primary residence. The full amount of the loan (not to exceed the amount of the net proceeds) will be due at that time. The subordination of loans provided herein shall comply with the guidelines contained herein (see Exhibit E).

In consideration of the tasks to be completed by the Subrecipient hereunder, a program delivery fee equal to ten percent (10%) of the amount of assistance provided to each homebuyer shall be paid to the Subrecipient. Said fee shall be paid with funds provided herein and shall be disbursed to the Subrecipient at the time downpayment and closing-cost assistance is disbursed for each homebuyer.

Tasks

The Subrecipient shall be responsible for all tasks required to complete the project described herein, including, but not limited to the following:

1. Receive and process applications to identify eligible first-time homebuyers;
2. Collect and maintain income and other documentation necessary to verify client eligibility;
3. Certify that homebuyers have satisfactorily completed homebuyer education courses;

4. Perform inspections and maintain documentation necessary to confirm that properties meet program standards;
5. Review financing package, mortgage documents, and other closing documents for each home purchase to ensure conformity with underwriting standards and other criteria described herein.

Project Schedule

The Subrecipient shall complete the project described herein according to the following schedule:

| | |
|--|---|
| Project Start Date | October 2012 |
| Receipt and Processing of Applications | (Ongoing) |
| Target Dates for the Expenditure of HOME Funds | June 2013 (50% Expended) February 2014 (100% Expended) |
| Complete Project | February 2014 |

Project Budget

| | |
|---|--------------------|
| Downpayment and Closing-Cost Assistance | \$204,545.45 |
| <u>Project Delivery Costs (10% of assistance)</u> | <u>\$20,454.55</u> |
| Total Budget | \$225,000.00 |

**KANE COUNTY/CITY OF ELGIN CONSORTIUM
HOME INVESTMENT PARTNERSHIPS PROGRAM**

Exhibit B: Request for Payment

SECTION I: REQUEST FOR PAYMENT

Subrecipient Name: NHS of the Fox Valley, Inc.

Project Name: First-Time Homebuyer Assistance Program

HUD Activity No. 257 KC Activity No. 2012-12

Dollar Amount Requested: \$ _____ Payment Request # _____

SECTION II: STATUS OF FUNDS

| | |
|---|----------------------|
| 1. HOME Allocation (includes carryover funds) | \$ <u>231,157.43</u> |
| 2. Less Sum of Past Claims Submitted | \$ _____ |
| 3. Present Balance Available | \$ _____ |
| 4. Less this Request for Payment | \$ _____ |
| 5. Amount Available after this Request | \$ _____ |

SECTION III: CERTIFICATION

I, the undersigned representative of the Subrecipient, certify that this Request for Payment has been prepared in accordance with the terms and conditions of the Agreement between Kane County and the Subrecipient. I also certify that the amount of this Request for Payment is not in excess of the funding necessary to satisfy current project expenses.

| |
|------------------|
| Date Received: |
| Date Approved: |
| Approved By: |
| Payment Date: |
| Check Number(s): |

Signature of Subrecipient Representative

Title

Date: _____

FIRST-TIME HOMEBUYER COMPLETION FORM

HOMEBUYER INFORMATION:

Homeowner's Last Name:

Percent of Area Median Income (AMI): 0-30% AMI 31-50% AMI 51-60% AMI 61-80% AMI

Race (check one): White Native Hawaiian/Other Pacific Islander Black/African Amer. & White
 Black/African Amer. Amer. Indian/Alaskan Native & White Amer. Indian/Alaskan Native & Black/African Amer.
 Asian Amer. Indian/Alaskan Native Other Multi-Racial
 Amer. Indian/Alaskan Native Asian & White

Ethnicity: Is the household Hispanic? YES NO Household Size: 1 2 3 4 5 6 7 8

Household Type: SINGLE/NON-ELDERLY ELDERLY SINGLE-PARENT TWO PARENTS OTHER

Did the homebuyer come from subsidized housing? YES NO

Homebuyer has received/will receive: PRE-PURCHASE COUNSELING POST-PURCHASE COUNSELING BOTH

PROPERTY INFORMATION:

| | |
|--|--|
| Street Address: | Purchase Price: \$ |
| City, County, Zip: | Year Constructed: |
| Property Type: SINGLE-FAMILY CONDOMINIUM | Number of Bedrooms: 1 2 3 4 5 |
| Does the unit meet Energy Star? YES NO | Is the unit handicapped accessible? YES NO |

Is the property insured by the Federal Housing Administration (FHA)? YES NO

FINANCING SUMMARY:

| Funding Source/Type | Amount |
|--------------------------------------|---|
| HOME Funds | Downpayment/Closing-Cost Assistance \$ |
| Public Funds | Other Federal Funds \$ |
| | State/Local Funds \$ |
| | Tax-Exempt Bond Proceeds \$ |
| Private Funds | Private Loans \$ |
| | Owner Cash Contributions \$ |
| | Private Grants \$ |
| Total Funding This Address \$ | |

PROJECT DELIVERY:

| | |
|---|----|
| Delivery Fee (10% of Downpayment/Closing-Cost Assistance) | \$ |
|---|----|

**KANE COUNTY/CITY OF ELGIN CONSORTIUM
HOME INVESTMENT PARTNERSHIPS PROGRAM**

EXHIBIT D: First Mortgage Guidelines

Any first mortgage or subordinate mortgage financing obtained by an income-eligible homebuyer who is also obtaining downpayment and closing cost assistance may obtain mortgage financing from whatever lender the homebuyer chooses. However, in order to be eligible for downpayment and closing cost assistance offered by the County under its HOME Investment Partnerships Program, any mortgage financing must comply with the following guidelines:

1. Interest rates on first mortgages cannot exceed the FNMA 30-year rate (60-day delivery) on the date of origination, plus 250 basis points (BPS);
2. First mortgages must be either fixed-rate loans for the entire term of the loan, or no less than a 3/1 adjustable rate loan, with the initial interest rate fixed for the initial three years of the term of the loan and adjustments thereafter occurring no more often than once a year;
3. Any subordinate mortgages originated (in lieu of private mortgage insurance) must comply with the requirements of the program and specifically cannot result in a combined loan-to-value (CLTV) of less than 80% of the purchase price;
4. Any subordinate mortgages originated (in lieu of private mortgage insurance) must be at no more than the same interest rate as the first mortgage;
5. Any subordinate mortgages originated (in lieu of private mortgage insurance) must be either fixed-rate loans for the entire term of the loan, or no less than a 3/1 adjustable rate loan, with the initial interest rate fixed for the initial three years of the term of the loan and adjustments thereafter occurring no more often than once a year;
6. "Stated income" loans are not acceptable;
7. "Option" loans, wherein the borrower has the option of paying less than a fully amortizing principal and interest payment, are not acceptable, nor are any loans that would result in "negative amortization";
8. "Interest-only" loans, wherein the borrower has the option of paying only accrued interest on the loan, are not acceptable;
9. Prepayment penalties on first mortgages or subordinate mortgages are not acceptable;
10. Balloon payments on first mortgages or subordinate mortgages are not acceptable;
11. Total points and fees on any mortgage loan cannot exceed 5% of the total loan amount, including any yield spread premiums;
12. Any mortgage loan that results in a debt/income ratio for housing expense (including principal and interest payments on the first mortgage and any subordinate mortgages, property taxes, property insurance, and condominium or homeowner association fees) that exceeds 40% (i.e. total housing expense divided by gross household income), or any mortgage loan that results in a combined debt/income ratio (i.e. total housing expense plus all other fixed expenses, divided by gross household income) that exceeds 50% shall not be acceptable.

**KANE COUNTY/CITY OF ELGIN CONSORTIUM
HOME INVESTMENT PARTNERSHIPS PROGRAM**

EXHIBIT E: Subordination Guidelines

The County may, in its sole discretion, subordinate loans issued for downpayment and closing cost assistance under its HOME Investment Partnerships Program. Such subordinations, however, must comply with the following guidelines:

1. The borrower may not take any cash out. (The payment of credit card debt is considered cash.)
2. The borrower may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing. (This does not include points paid to buy-down the interest rate, but does include expenses such as the appraisal, credit report, and title charges.)
3. The new first mortgage principal balance cannot exceed the original first mortgage existing principal.
4. The borrower may refinance into a 15-year mortgage provided that they have the capacity to handle the additional payment. (Such situations will be reviewed on a case-by-case basis.)
5. The borrower must refinance into a fixed-rate mortgage.
6. The first mortgage lender must escrow taxes and insurance, if the lender had been doing so prior to refinancing.
7. The County will not subordinate to home equity or reverse mortgage loans.
8. The County will subordinate to home improvement loans if the homeowner provides written documentation of the improvement to the County's satisfaction.