

**AGREEMENT - COVID19 RELIEF FUND
LAKE COUNTY SMALL BUSINESS
GRANT RECOVERY PROGRAM**

THIS AGREEMENT made on the day of application submittal, by and between the **County of Lake** (hereinafter referred to as "**COUNTY**") and **the business submitting the grant application** (hereinafter referred to as "**BUSINESS**"). The COUNTY and the BUSINESS shall hereinafter be referred to jointly as the Parties.

RECITALS

WHEREAS, pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") the COUNTY received approximately one hundred twenty-two million dollars from the United States Government ("CARES Act Funds"); and

WHEREAS, the CARES Act provides for payments to local small businesses adversely impacted by the COVID-19 outbreak via the Coronavirus Relief Fund; and

WHEREAS, the CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover expenses which: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the local government; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020; and

WHEREAS, the COUNTY was eligible to receive payments under the CARES Act, as it is a unit of local government in excess of 500,000 residents; and

WHEREAS, the United States Department of Treasury ("Treasury") has issued guidelines and interpretations with regard to the authorized use of funds allocated to local governments under the CARES Act; and

WHEREAS, this Agreement is intended to assist local small businesses adversely affected by the COVID-19 pandemic and the government and private responses to contain the pandemic; and

WHEREAS, under the CARES Act, should the Office of the Inspector General determine that the funds were used in a manner contrary to the intent of the Congress or contrary to the United States' Department of Treasury guidelines and interpretations, the CARES Act provides that the federal government may recoup the improperly spent funds from the COUNTY; and

WHEREAS, the COUNTY and the BUSINESS within Lake County have suffered secondary effects of the coronavirus emergency, as the State of Illinois has ordered the closure of non-essential businesses; and

WHEREAS, the COUNTY, as the jurisdiction responsible for disbursement of funds under the CARES Act, finds that it is appropriate to use these funds to defray certain costs incurred by the BUSINESS related to the coronavirus emergency;

NOW, THEREFORE, the COUNTY and the BUSINESS hereby agree as follows:

1.0 Recitals, Definitions, and Purpose.

1.1 Recitals Incorporated. The recitals set forth above are incorporated in this Agreement by reference and made a part of this Agreement ("Agreement").

1.2 Definitions.

1.2.1 “CARES ACT funds” shall refer to funds which have been allocated to the COUNTY under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) of which the COUNTY is responsible for the disposition.

1.2.2 “Forms” shall refer to forms or application documents used to seek recovery assistance from corona virus related impacts under this agreement.

1.2.3 All other words used in this agreement which are not specifically defined shall have their normal and ordinary meaning.

1.3 Purpose. The purpose of this Agreement is to establish a contractual relationship between the COUNTY and BUSINESS with regards to a Grant hereunder (“Grant”) to cover eligible expenses of the BUSINESS associated with the coronavirus emergency from federal CARES Act Funds which the United States Federal Government has disbursed to the COUNTY. The COUNTY has, by resolution, created the Lake County Small Business Grant Recovery Program (“Program”). This agreement shall remain in effect between the parties to govern the form of application for the Grant, the review of the application, the criteria for eligible expenses, the retention of documents, and other material terms governing the processing of Grant applications and subsequent review of use of the Grant proceeds.

2.0 Obligations of the COUNTY

2.1 Grant. The COUNTY by its acceptance and selection of the grant application hereby approved a Grant to the BUSINESS in the amount determined by the County, based on the grant formula (“Grant”). Said Grant to be used by the BUSINESS exclusively for the purposes permitted under the CARES Act, the United States Department of the Treasury (“Treasury”) guidelines and interpretations, as current exist or as may be amended and supplemented in the future, the COUNTY guidelines, and as set forth in the program guidelines. If the BUSINESS complies with this agreement and if the BUSINESS provides the document and certification requested by the COUNTY subsequent to the BUSINESS’s use of the Grant proceeds, no repayment will be required. If, however, the BUSINESS does not comply with this Agreement the COUNTY may seek partial or full repayment of the Grant on or before December 1, 2020 (“Due Date”). No interest shall accrue of this Grant.

2.2 Approval of Grant does not guarantee approval of the use of the Grant proceeds. The COUNTY’s approval of this Agreement and of the Grant hereunder does not guarantee that BUSINESS’s use of the Grant proceeds will ultimately be approved by the COUNTY, the United States Department of Treasury, or the Office of the Inspector General.

2.3 No further obligations. The COUNTY shall have no further obligations under this Agreement other than those expressly set forth.

3.0 Obligations of the BUSINESS

3.1 Generally. The BUSINESS shall use the Grant proceeds exclusively for the purposes permitted under the CARES Act, the United States Department of the Treasury (“Treasury”) guidelines and interpretations, as current exist or as may be amended and supplemented in the future, the COUNTY guidelines, and as set forth in the program guidelines (“Eligible Expenses”). In order to achieve the COUNTY’s approval of the BUSINESS’s use of the Grant proceeds provided hereunder, BUSINESS agrees to

submit the forms, certifications and documentation as may be required by the COUNTY which document any expense for which BUSINESS has used the Grant proceeds under this Agreement. BUSINESS agrees that the sole and exclusive decision as to whether or not BUSINESS's use of the Grant proceeds is approved lies within the discretion of the COUNTY. BUSINESS agrees that the COUNTY may deny approval of the use of the Grant proceeds which, in the discretion of the COUNTY, is not a permitted use of CARES Act Funds. The parties also agree that the use of the Grant proceeds that may otherwise be eligible under the CARES Act may be rejected by the COUNTY in its sole discretion and that the COUNTY is under no obligation to approve any particular use of the Grant proceeds. Any portion of the Grant proceeds that is not used for said Eligible Expenses shall be repaid to the COUNTY on or before the Due Date.

4.0 Form of Expense Submittals, Certification, failure to use forms or comply with criteria

4.1 Generally. The Parties agree that expenses for which BUSINESS uses the Grant proceeds shall be submitted upon the forms and in the manner as may be required by the COUNTY. BUSINESS agrees to utilize these forms exclusively in seeking approval of the expenses related to the coronavirus emergency.

4.2 Certification. The BUSINESS certifies that the expenses for which BUSINESS used the Grant proceeds: (i) are necessary expenditures incurred due to the public health emergency with response to the Coronavirus Disease 2019, , (ii) were incurred during the period between March 1, 2020 and December 30, 2020, and (iii) meet the criteria set forth in the United States Department of Treasury guidelines and interpretations, both current and as they may be amended and supplemented in the future. The BUSINESS also certifies that the BUSINESS is in good standing, has no debts to the COUNTY, and is not debarred by the Federal Government.

4.3 Failure to use forms or attach certification. The failure by BUSINESS to use the required forms or to accompany the use of the Grant proceeds with a completed certification, shall lead to the summary rejection of that submittal by the COUNTY.

4.4 Failure to comply with Department of Treasury Guidelines and Interpretations. The COUNTY reserves the right to reject any use of the Grant proceeds which it determines, in its sole and exclusive discretion, does not meet the criteria of the CARES Act or United States Department of Treasury guidelines and interpretations, both current and as may be amended and supplemented in the future, associated with disbursement of funds under the CARES Act.

4.5 BUSINESS shall not use the Grant proceeds for any expense which the BUSINESS has submitted or will submit to any other entity, whether public or private, for reimbursement. Should BUSINESS at any time receive reimbursement for any expense for which the Grant proceeds have been already used, the BUSINESS shall within 14 days refund those Grant proceeds to the COUNTY.

5.0 Prohibition on duplicate reimbursement.

5.1 BUSINESS shall not be entitled to payment of expenses by the Grant proceeds for which it has sought reimbursement from another County, State, or federal program designed to assist businesses in recovering from the coronavirus emergency or other emergencies.

6.0 Expectations

- 6.1** BUSINESS agrees to abide by the terms of the CARES Act and all United States Department of Treasury guidelines and interpretations, both current and as may be amended and supplemented in the future.
- 6.2** BUSINESS shall, at the COUNTY's request, supply COUNTY with all relevant information for the COUNTY to evaluate whether a request for approval meets the criteria under the CARES ACT and United States Department of Treasury guidelines, both current and as may be amended and supplemented in the future.

7.0 Records

- 7.1** BUSINESS shall maintain all records relating to the expenses which BUSINESS uses the Grant proceeds for a period of at least ten (10) years or the period of time required by other state or federal law, whichever is longer.
- 7.2** At any time, the COUNTY may request that the BUSINESS provide records relating to the expenses for which BUSINESS uses the Grant proceeds. BUSINESS agrees to provide records in response to such requests.
- 7.3** Failure to provide records may result in the denial of the COUNTY's approval of the use of the Grant proceeds. In circumstances where the use of the Grant proceeds has been granted and the records are needed to justify the use to the Office of the Inspector General or any other office, official, or department which may later become responsible for auditing disbursements of CARES Act Funds, failure by BUSINESS to provide these records, for any reason including the prior destruction of these records, shall constitute a breach of this Agreement. The sole and exclusive remedy for such a breach is that BUSINESS shall be responsible for repayment of any portion of the Grant proceeds which the Office of Inspector General, or its successor, finds improper, unsupported, or unable to be verified. Additionally, BUSINESS agrees to indemnify the COUNTY or make the COUNTY whole for any penalty assessed against the COUNTY based upon BUSINESS's failure to retain or provide records for the period provided in 7.1.

8.0 Timeliness.

- 8.1** The Parties agree that time is of the essence in the processing of applications for the Grant. The COUNTY shall use all reasonable speed and diligence in the processing of applications for the Grant.
- 8.2** The Parties agree that time is of the essence in communications seeking supporting documents or requesting records under this agreement. The Parties agree that they shall use all reasonable speed and diligence in responding to requests for records or supporting documents.

9.0 Indemnity.

- 9.1** The Parties agree that where the COUNTY may rely upon the certification of the BUSINESS that such expenses which BUSINESS used the Grant proceeds met the minimum requirements of the CARES Act, and where the Office of the Inspector General, or any other person, official, or department which is charged with the auditing and review of expenditures of CARES Act Funds determines that such use was not permitted under the CARES Act, BUSINESS agrees to indemnify, reimburse and make whole the COUNTY for any funds which the United States Government or its

agencies seeks to recoup or collect, either by litigation, or by withholding other federal funds owed to the COUNTY. BUSINESS further agrees to indemnify, reimburse, or make whole the COUNTY for any penalties associated with the federal government seeking to recoup the expended CARES ACT funds which the COUNTY disbursed to BUSINESS including interest, attorney's fees or any penalty provided by law.

9.2 BUSINESS agrees to hold COUNTY harmless for any evaluation or advice which the COUNTY provided to BUSINESS as to whether the requested reimbursement is a permissible use of the CARES ACT funds.

10.0 General Terms and Conditions

10.1 Amendment. Any revision to this Agreement shall be made by written amendment to this Agreement. This Agreement, including exhibits attached hereto and incorporated herein by reference, represents the entire Agreement between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements, and understandings relating thereto.

10.2 Assignment. The performance covered by this Agreement shall not be assigned or delegated without the prior written consent of the COUNTY.

10.3 Conflict of Interest. No officer, employee, consultant, elected or appointed officials of the COUNTY (and no one with whom they have family or business ties) shall obtain any personal or financial benefit of the funds to be administered herein

10.4 Notices. Any notice under this Agreement shall be sent by email to the following individuals at the indicated email addresses:

To the COUNTY:

Patrice Sutton, Director of Finance, County of Lake at psutton@lakeoucntyil.gov

To the BUSINESS:

To the applicant based on the information provided on the application.