

FIRST INTERGOVERNMENTAL INVESTMENT AGREEMENT

The Illinois Office of the State Comptroller (“IOC”) and the Office of the Illinois State Treasurer (“Treasurer”) (collectively, “the Parties”), pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*), do hereby enter into this First Intergovernmental Investment Agreement (“First Investment Agreement” or “Agreement”) as of September 28, 2018 (the “Effective Date”).

WHEREAS, IOC and Treasurer are public agencies as defined under the Intergovernmental Cooperation Act;

WHEREAS, as of September 28, 2018, IOC and Treasurer entered into an Intergovernmental Agreement for Permitted Investments (“IGA”);

WHEREAS, the IGA allows Treasurer to invest in privately placed debt instruments issued by IOC to assist IOC to pay outstanding vouchers, as permitted by Section 22.5 of the Deposit of State Moneys Act, 15 ILCS 520 (“Act”); and

WHEREAS, the Parties wish to enter into this First Investment Agreement allowing Treasurer to invest in a debt instrument issued by IOC in accordance with the IGA.

NOW, THEREFORE, the Parties do hereby agree as follows:

1. Term. The term of the Agreement shall begin upon the date of full execution by the Parties and shall continue until IOC has repaid Treasurer in full in accordance with this Agreement (“Term”).
2. Investment Amount. Following execution of this Agreement, Treasurer shall initiate transfers totaling \$100,000,000 (the “Investment”). The Investment shall be drawn from the fund in the State’s investment portfolio identified in the attached Exhibit A. IOC shall deposit the Investment into the General Revenue Fund or Health Insurance Reserve Fund, as determined by IOC. If the fund identified in Exhibit A has a liquidity issue that cannot be resolved by an early repayment, Treasurer shall initiate transfers drawn from the contingency funds identified in the attached Exhibit B. Within one business day following such a contingency fund transfer by Treasurer, IOC shall initiate transfers from the General Revenue Fund or Health Insurance Reserve Fund, as applicable, into the fund identified in Exhibit A to resolve the liquidity issue.
3. Investment Period. The Investment shall mature upon six months from the date of full execution of the Agreement by the parties (“Maturity Date”). All interest accrued during the investment period shall be paid upon the Maturity Date. Within 60 calendar days following the Maturity Date, IOC shall pay to Treasurer all principal due. For any balance of principal outstanding not paid to Treasurer within 60 calendar days of the Maturity Date, or any balance of interest accrued not paid to Treasurer upon the Maturity Date, IOC shall pay Treasurer a penalty of 300 basis points (3.00%) above the interest rate set forth herein based on the 30/360 accrual method, unless waived by Treasurer in writing. To effectuate the repayment of the Investment, IOC shall order and Treasurer shall transfer amounts sufficient to cover all principal, interest, and any penalty amounts due.
4. Interest Rate. IOC shall pay interest to Treasurer on the outstanding principal balance of the Investment for each full calendar month during the Term. The interest will be calculated on the

basis of a 360-day year consisting of 12 months of 30 days each; interest for the full or partial calendar month will be calculated on the basis of a 360-day year and the actual number of days elapsed (the “30/360 accrual method”). The market established variable rate to which the interest rate shall be tied is the Six-Month London Interbank Offered Rate (“LIBOR”), as determined on the Effective Date, plus 100 basis points, based on the 30/360 accrual method.

5. Termination. The Agreement may be terminated by Treasurer if IOC fails to repay Treasurer in accordance with the Agreement or any other investment agreement entered into between the parties pursuant to the IGA. Prior to terminating the Agreement, Treasurer shall issue a written notice to IOC requesting repayment. If repayment is not furnished to Treasurer within five (5) calendar days, the Agreement may be cancelled. Upon such cancellation, IOC shall immediately pay all outstanding principal, interest, and penalties owed to Treasurer under this Agreement. Any outstanding balance after the date of cancellation pursuant to this Paragraph 5 shall accrue additional interest as a penalty in accordance with Paragraph 3. Failure by Treasurer to issue a notice or cancel the Agreement does not waive any of Treasurer’s rights to issue subsequent notices.
6. Early Repayment. Either Party may request an early repayment or early call of capital invested at any time; provided, however, that such a request may only be made upon 15 calendar days’ notice to the other party. The 15-calendar day notice period may be waived by mutual agreement of the Parties. Requests for early repayment shall be in writing and shall not be granted until signed by both Parties. Both principal and interest will be due upon the effective repayment date. To effectuate the early repayment once granted, IOC shall order and the Treasurer shall transfer amounts sufficient to cover all principal and interest due, in accordance with the Act.
7. Assignment. This Agreement may not be assigned, in whole or in part, by either Party for any reason, without the prior written consent of the other Party.
8. Records Retention. Pursuant to applicable retention schedules, the Parties shall maintain for the appropriate time periods adequate books, records, and supporting documents. If an audit, litigation, or other action involving the records is begun before the end of the applicable record retention period, the records shall be retained until all issues arising out of the action are resolved. Notice shall be given to the Parties or their successors in accordance with paragraph 13 of this Agreement in the event the Parties become aware of an audit, litigation, or other action.
9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any claim against the State or a State agency arising out of this Agreement must be filed exclusively with the Illinois Court of Claims, 705 ILCS 505/1 *et seq.*, when said claim is within the jurisdiction of the Court of Claims.
10. Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes all previous versions of this Agreement and proposals, oral or written, regarding the matters addressed herein. This Agreement may be amended upon the mutual written agreement of the Parties.
11. Severability. If any provision in this Agreement is held to be invalid, illegal, void, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected.

12. Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision thereof.
13. Notices. All notices required to be given pursuant to this Agreement shall be in writing and addressed to the parties or their successors at their respective addresses set forth below. All such notices shall be deemed duly given if e-mailed, personally delivered, or if deposited in the United States mail, registered or certified return receipt requested.

To Treasurer:

Office of the Illinois State Treasurer
Rodrigo Garcia
100 W. Randolph Street, Suite 15-600
Chicago, Illinois 60601

To IOC:

Illinois Office of the Comptroller
Chasse Rehwinkel
100 W. Randolph Street, Suite 15-500
Chicago, Illinois 60601

14. Signature Authority and Counterparts. The undersigned certify that they are authorized to legally bind their respective Party to this Agreement by signing it on their respective Party's behalf. This Agreement may be executed in counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a portable document format document shall be original for all purposes.

IN WITNESS WHEREOF, each Party has executed this Intergovernmental Agreement on the dates indicated below.

**OFFICE OF THE ILLINOIS STATE
TREASURER**

Michael W. Frerichs
Treasurer

By: _____
G. Allen Mayer, Chief of Staff

Date: _____

**ILLINOIS OFFICE OF STATE
COMPTROLLER**

Susana A. Mendoza
Comptroller

By: _____
Kevin Schoeben, Assistant Comptroller

Date: 9/28/18

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**ILLINOIS OFFICE OF STATE
COMPTROLLER**


Michael W. Frerichs
Treasurer

Susana A. Mendoza
Comptroller

By: 
G. Allen Mayer, Chief of Staff

By: _____
Kevin Schoeben, Assistant Comptroller

Date: 9-27-18

Date: _____

**SUPPLEMENTAL SIGNATURE PAGE TO
FIRST INTERGOVERNMENTAL INVESTMENT AGREEMENT**

This Agreement entered into between the Office of the Illinois State Treasurer and Illinois Office of the Comptroller is being supplemented with this signature page to comply with 30 ILCS 105/9.02(a)(1) that requires:

Any new contract or contract renewal in the amount of \$250,000 or more in a fiscal year, or any order against a master contract in the amount of \$250,000 or more in a fiscal year, or any contract amendment or change to an existing contract that increases the value of the contract to or by \$250,000 or more in a fiscal year, shall be signed or approved in writing by the chief executive officer of the agency, and shall also be signed or approved in writing by the agency's chief legal counsel and chief fiscal officer.

In accordance with this statute, the additional individuals listed below sign this Agreement.

**OFFICE OF ILLINOIS STATE
TREASURER**


By: _____
Gwendolyn E. Drake
General Counsel

Date: _____

By: _____
Rodrigo Garcia
Deputy Treasurer &
Chief Investment Officer

Date: _____

**ILLINOIS OFFICE OF STATE
COMPTROLLER**

By: _____

John Gay
Chief Legal Counsel

Date: 9/28/18

By: _____
Marvin Becker
Assistant Comptroller

Date: _____

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Date: _____

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Rodrigo Garcia
Deputy Treasurer &
Chief Investment Officer

Date: _____

**ILLINOIS OFFICE OF STATE
COMPTROLLER**

By: _____
John Gay
Chief Legal Counsel

Date: _____

By: _____
Marvin Becker
Assistant Comptroller

Date: 9/28/18

**SUPPLEMENTAL SIGNATURE PAGE TO
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TREASURER**

By: _____

Gwendolyn E. Drake
General Counsel

Date: _____

9/27/2018

By: _____

Rodrigo Garcia
Deputy Treasurer &
Chief Investment Officer

Date: _____

9/27/18

**ILLINOIS OFFICE OF STATE
COMPTROLLER**

By: _____

John Gay
Chief Legal Counsel

Date: _____

By: _____

Marvin Becker
Assistant Comptroller

Date: _____

EXHIBIT A
Investment Fund

Fund 278, Income Tax Refund

EXHIBIT B
Contingency Funds

FUND #	FUND NAME	FUND CATEGORY	9/26 EOD Cash Bal
11	ROAD	HIGHWAY FUNDS	542,429,217.56
902	STATE CONSTRUCTION ACCOUNT	HIGHWAY FUNDS	623,141,863.58
421	PUBLIC AID RECOVERIES TRUST	STATE TRUST FUNDS	129,193,480.55
482	UNCLAIMED PROPERTY TRUST	STATE TRUST FUNDS	81,623,621.21
19	GRADE CROSSING PROTECTION	HIGHWAY FUNDS	76,773,470.07
408	DHS SPECIAL PURPOSE TRUST	FEDERAL TRUST FUNDS	86,773,540.55
664	STUDENT LOAN OPERATION	FEDERAL TRUST FUNDS	57,412,532.37
836	IL POWER AGENCY RENEWABLE ENER	SPECIAL STATE FUNDS	56,505,842.44
718	COMMUNITY MENTAL HEALTH MEDICA	SPECIAL STATE FUNDS	56,954,725.85
142	COMMUNITY DEVELOPMENTAL DISABI	FEDERAL TRUST FUNDS	42,025,651.27
257	AML RECLAMATION SET ASIDE	STATE TRUST FUNDS	54,828,539.45
663	FEDERAL STUDENT LOAN	FEDERAL TRUST FUNDS	37,621,433.93
93	IL STATE MEDICAL DISCIPLINARY	SPECIAL STATE FUNDS	37,443,224.30
506	STATE SMALL BUSINESS CREDIT IN	SPECIAL STATE FUNDS	37,432,932.02
473	TEACHERS RETIREMENT SYSTEM	STATE TRUST FUNDS	478,476.81
189	LOCAL GOVERNMENT TAX	STATE TRUST FUNDS	344,409,862.45
479	STATE EMPLOYEES RETIREMENT SYS	STATE TRUST FUNDS	108,438,648.18
72	UNDERGROUND STORAGE TANK	SPECIAL STATE FUNDS	102,817,980.90
550	SUPPLEMENTAL LOW INCOME ENERGY	SPECIAL STATE FUNDS	100,088,582.18
188	COUNTY & MASS TRANSIT DISTRICT	STATE TRUST FUNDS	79,693,625.15
711	STATE LOTTERY	SPECIAL STATE FUNDS	90,775,932.53
568	SCHOOL INFRASTRUCTURE	SPECIAL STATE FUNDS	50,119,671.84
186	STATE AND LOCAL SALES TX REFRM	SPECIAL STATE FUNDS	86,543,847.00
286	IL AFFORDABLE HOUSING TRUST	SPECIAL STATE FUNDS	67,916,496.29