

Interagency Agreement

Related to the Illinois Finance Authority's Vendor Receivables Program

This Interagency Agreement (this "**Agreement**") is made as of November 24, 2015, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220) by and between the Illinois Finance Authority ("**IFA**"), a body politic and corporate of the State of Illinois; the Illinois Department of Central Management Services ("**CMS**"), a principal department of the State of Illinois; and the Illinois Department of Revenue ("**DOR**"), a principal department of the State of Illinois; and the Governor's Office of Management and Budget ("**GOMB**", and together with IFA, CMS, and DOR, the "**Parties**"), an office within the Executive Office of the Governor of the State of Illinois.

1. Purpose. IFA has authorized a project (the "**Program**") to acquire from vendors (each a "**Vendor**") receivables from the sale of essential goods and services to the State of Illinois (each a "**Receivable**"). The Program will benefit the State of Illinois and participating Vendors by ensuring that essential goods and services continue to be provided during and after the Fiscal Year 2016 budget impasse. To facilitate the Program, IFA seeks access to certain information about the Receivables it may purchase and about the Vendors from which those Receivables would be purchased.

2. Information to Be Provided by CMS. Upon request by IFA, CMS will provide to IFA, or cause the relevant procuring agency (the "**Procuring Agency**") to provide to IFA, the following information with respect to a Receivable:

- (a) a copy of the relevant contract between the Vendor and the Procuring Agency;
- (b) a copy of the relevant invoice from the Vendor to the Procuring Agency;
- (c) a statement from the Procuring Agency indicating that the relevant goods or services have been received by the Procuring Agency from the Vendor;
- (d) the proper bill date of the relevant invoice (90 days after which the interest penalty under the State Prompt Payment Act begins to apply);
- (e) documentation that demonstrates that payment to the Vendor and the provision of goods or services by the Vendor are essential to ongoing, core operations of the State because (i) there exists a threat to public health or public safety, (ii) an immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property, (iii) such payment and provision of goods or services will prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or (iv) such payment or provision of goods or services will ensure the integrity of State records; and
- (f) a summary of recent purchase and payment activity (generally, Fiscal Years 2010 through 2015) between the Vendor and the Procuring Agency, illustrating that the purchase of the relevant goods or services has been funded in recent years.

In addition, using the Vendor's tax identification number, CMS will request, and provide to IFA a copy of, confirmation from the Office of the Illinois Comptroller that no lien or obligation has

been filed with the Office of the Illinois Comptroller which would give rise to an offset of payment to the Vendor under State law.

After payment of the invoiced amount of a Receivable has been remitted by the State to IFA, CMS will verify that the Procuring Agency has submitted a voucher for applicable penalty interest under the State Prompt Payment Act to the Office of the Illinois Comptroller, payable in care of IFA as the assignee of the Receivable. CMS will notify, or will cause the Procuring Agency to notify, IFA of the amount of the penalty interest and the date the voucher was submitted to the Office of the Illinois Comptroller.

3. Information to Be Provided by GOMB. Upon request by IFA, GOMB will provide to IFA the following information with respect to a Receivable:

(a) confirmation that the relevant goods or services provided by the Vendor to the Procuring Agency would be eligible for payment under one or more Fiscal Year 2016 appropriation line items requested by the Governor in the “Budget Book”; and

(b) confirmation that the relevant goods or services provided by the Vendor to the Procuring Agency would be eligible for payment under one or more Fiscal Year 2016 appropriation line items passed by the General Assembly.

4. Information to Be Provided by DOR. IFA may provide to DOR the identity of a Vendor from which IFA is considering acquiring a Receivable. DOR will determine and report to IFA (within the information available to DOR) whether the Vendor is subject to any obligation, lien, or offset pertaining to Illinois tax liabilities.

If a Vendor has an outstanding Illinois tax liability, the Parties recognize that DOR may contact the Vendor directly to facilitate payment of the outstanding Illinois tax liability. If IFA acquires a Receivable from the Vendor notwithstanding the existence of an outstanding Illinois tax liability, then, at DOR’s request, the Parties and the Vendor may agree to withhold an amount sufficient to satisfy the outstanding Illinois tax liability from the purchase price of the Receivable, which withholding would be remitted to DOR in satisfaction of the Vendor’s outstanding Illinois tax liability.

If DOR provides information to any of the other Parties that DOR identifies as being confidential within the meaning of any governing law, regulation, or directive (including, without limitation, Section 917 of the Illinois Income Tax Act (35 ILCS 5/917), Section 11 of the Illinois Retailers’ Occupation Tax Act (35 ILCS 120/11), and Federal Publication 1075, as applicable), then the Parties and their officers, employees, and agents shall keep all such information confidential. The Parties shall maintain all confidential information in a manner designed and implemented to ensure its continuing confidentiality, and shall not disseminate, use, or allow access to any confidential information except as may be authorized under this Agreement or any governing law, regulation, or directive.

5. Form of Request by IFA. IFA may submit a request for all of the information described in Sections 2, 3, and 4 with respect to a Receivable by sending an e-mail to the designated representative of CMS. The request will identify the name and tax identification number of the vendor and the invoices for the Receivables being acquired by IFA. CMS will facilitate processing the request with GOMB and DOR.

6. Information to Be Provided by IFA. IFA will notify CMS, and CMS will notify the Procuring Agency, whenever IFA has acquired the rights to a Receivable, including the specific relevant

invoices. For this purpose, IFA will send an e-mail to the designated representative of CMS with the name and tax identification number of the vendor and the invoices for the Receivables acquired by IFA.

7. General Cooperation. The Parties agree to provide such other non-confidential information and otherwise cooperate as necessary to facilitate IFA's due diligence and acquisition of Receivables.

8. Notices and Representatives. Whenever any notice, correspondence, or other document is given under this Agreement, it shall be delivered in writing by e-mail, hand delivery, interoffice mail, U.S. Postal Service, or courier to the following representatives of the Parties:

If to IFA: Chris Meister
Executive Director
Illinois Finance Authority
160 N. LaSalle St., Suite S-1000
Chicago, Illinois 60601
cmeister@il-fa.com

If to CMS: Kimberly E. McCullough-Starks
Assistant Director
Illinois Department of Central Management Services
100 W. Randolph St., Suite 4-500
Chicago, Illinois 60601
kim.mccullough@illinois.gov

If to DOR: Jim Nichelson
Assistant General Counsel
Illinois Department of Revenue
100 W. Randolph St., Suite 7-500
Chicago, Illinois 60601
jim.nichelson@illinois.gov

If to GOMB: Curt Clemons-Mosby
Senior Policy Advisor
Governor's Office of Management and Budget
401 S. Spring St.
Springfield, Illinois 62704
curt.clemonsmosby@illinois.gov

A Party may change its designated representative at any time by written notice delivered to the designated representatives of each other Party.

9. Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement. Duplicated or electronic signatures shall be deemed original for all purposes.

10. Term; Amendment. This Agreement shall be effective as of the date first written above and shall continue until the later of (a) IFA no longer has any right or interest in any Receivable or (b) no bonds or other indebtedness of IFA, the proceeds of which were used to acquire Receivables or which are secured by the Receivables, remain outstanding. This Agreement may be amended at any time by mutual written consent of the Parties.

IN WITNESS WHEREOF, the Parties hereto have entered this Agreement as of the date first written above.

Illinois Finance Authority

By: s/ Christopher B. Meister
Name: Christopher B. Meister
Title: Excecutive Director

Illinois Department of Central Management Services

By: s/ Tom Tyrrell
Name: Tom Tyrrell
Title: Director

Illinois Department of Revenue

By: s/ Constance Beard
Name: Constance Beard
Title: Director

Governor's Office of Management and Budget

By: s/ Tim Nuding
Name: Tim Nuding
Title: Director

Nov. 24, 2015