

MEETING DETAILS



REGULAR MEETING OF THE MEMBERS **TUESDAY, SEPTEMBER 12, 2023** **9:00 A.M.**

MICHAEL A. BILANDIC BUILDING
160 NORTH LASALLE STREET
SUITE S-1000
CHICAGO, ILLINOIS 60601

2929 BROADWAY STREET
SUITE 7B
MOUNT VERNON, ILLINOIS 62864

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ILLINOIS FINANCE AUTHORITY

REGULAR MEETING OF THE MEMBERS

TUESDAY, SEPTEMBER 12, 2023

9:00 A.M.

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Public Comment
- IV. Chair's Remarks
- V. Message from the Executive Director
- VI. Committee Reports
- VII. Presentation and Consideration of New Business Items
- VIII. Presentation and Consideration of Financial Reports and Report on the Climate Bank Plan
- IX. Monthly Procurement Report
- X. Correction and Approval of Minutes
- XI. Other Business
- XII. Closed Session
- XIII. Adjournment

I. CALL TO ORDER AND ROLL CALL

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II. APPROVAL OF AGENDA

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Thursday, September 7, 2023

**PUBLIC NOTICE OF REGULAR MEETING OF THE MEMBERS OF THE ILLINOIS
FINANCE AUTHORITY**

The Illinois Finance Authority (the “Authority”) will hold its regularly scheduled meeting of the Members of the Authority at two locations simultaneously on **Tuesday, September 12, 2023 at 9:00 a.m.:**

- The Authority’s Chicago Office, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601
- The Authority’s Mt. Vernon Office, 2929 Broadway Street, Suite 7B, Mt. Vernon, IL 62864

Members of the public are encouraged to attend the regularly scheduled meeting in person or via audio or video conference:

- The Audio Conference Number is (312) 626-6799 and the Meeting ID is 889 0125 6860 followed by pound (#). When prompted for a Participant ID, please press pound (#) and wait for the Password prompt. Upon being prompted for a Password, please enter 831311 followed by pound (#).
- To join the Video Conference, use this link:
<https://us06web.zoom.us/j/88901256860?pwd=SG5UVWRhSnhiVThsbk5ZS0ZaZE9aQT09>.

Guests wishing to comment orally are invited to do so, pursuant to the “Guidelines for Public Comment” prescribed by the Authority and posted at www.il-fa.com. Any guests participating via Audio Conference or Video Conference whom find that they cannot hear the proceedings clearly can call (312) 651-1300 or write info@il-fa.com for assistance. Please contact an Assistant Secretary of the Board at (312) 651-1300 for more information.

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REGULAR MEETING OF THE MEMBERS
TUESDAY, SEPTEMBER 12, 2023
9:00 A.M.**

AGENDA:

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Public Comments
- IV. Chair’s Remarks
- V. Message from the Executive Director
- VI. Committee Reports
- VII. Presentation and Consideration of New Business Items (including Appendix A)
- VIII. Presentation and Consideration of Financial Reports and Report on the Climate Bank Plan
- IX. Monthly Procurement Report
- X. Correction and Approval of Minutes
- XI. Other Business
- XII. Closed Session
- XIII. Adjournment

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) as well as pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend any meeting and needing special accommodations should contact the Illinois Finance Authority by calling (312) 651-1300, TTY (800) 526-0844.

NEW BUSINESS**CONDUIT FINANCING PROJECTS**

Tab	Project Name	Location(s)	Amount	New Jobs	Const. Jobs	Staff
Private Activity Bonds - Revenue Bonds <i>Final</i>						
1	LRS Holdings, LLC	Greenville (Bond County), Urbana (Champaign County), Rolling Meadows, Forest View, Rosemount, Morton Grove, Glenview, Chicago, Maywood and Northbrook (Cook County), West Chicago (DuPage County), Beecher City (Effingham County), Vandalia (Fayette County), Atkinson (Henry County), Elburn (Kane County), Wadsworth and Wauconda (Lake County), Crystal Lake and Woodstock (McHenry County), Bloomington (McLean County), Oregon (Ogle County), and Monmouth (Warren County)	\$125,000,000	50	-	BF
Private Activity Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
2	City of Hope	Zion (Lake County)	\$650,000,000	-	-	SP
3	The Carle Foundation	Champaign and Urbana (Champaign County), Normal (McLean County), Peoria (Peoria County), Olney (Richland County), Pekin (Tazewell County), Hoopeston (Vermilion County) and Eureka (Woodford County); and various clinics statewide	\$250,000,000	-	-	SP
4	Waste Management, Inc.	Taylorville (Christian County), DeKalb (DeKalb County), Grayslake (Lake County), Macomb (McDonough County), Decatur (Macon County), Davis Junction (Ogle County), East Saint Louis and Marissa (Saint Clair County), Morrison (Whiteside County), and Joliet and Wilmington (Will County)	\$50,000,000	3	-	BF
5	Beginning Farmer - Trevor A. Fox	Odell Township (Livingston County)	\$616,100	-	-	LK
Property Assessed Clean Energy Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
6	CleanFund, LLC	Statewide	\$250,000,000	-	-	BF
TOTAL CONDUIT FINANCING PROJECTS			\$1,325,616,100	53	-	
GRAND TOTAL			\$1,325,616,100	53	-	

NEW BUSINESS**RESOLUTIONS**

Tab	Action	Staff
Conduit Financings		
7	Resolution authorizing and approving amendments to the loan agreements relating to the certain bonds previously issued for the benefit of Roosevelt University	BF
Direct and Alternative Financings		
8	Resolution delegating to the Executive Director of the Illinois Finance Authority the power to fund and administer financial aid in an amount not-to-exceed \$10,000,000 related to the development of a project under the Illinois Finance Authority Act and the Reimagining Energy and Vehicles in Illinois Act and ratifying and approving certain matters related thereto	CM
Governance, Personnel, and Ethics		
9	Resolution approving changes to credit criteria and approving fee schedule for certain types of bonds	CM

III. PUBLIC COMMENT

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IV. CHAIR'S REMARKS

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V. MESSAGE FROM THE EXECUTIVE DIRECTOR

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To: Members of the Illinois Finance Authority
From: Chris Meister, Executive Director
Date: September 12, 2023
Subject: Executive Director Message

Major Economic Development and Climate Project: Gotion

On September 8, 2023, Governor Pritzker announced a major climate and economic development project: Gotion's new state-of-the-art electric vehicle lithium battery manufacturing plant in Manteno. Governor Pritzker stated, *"With 2,600 new jobs, a \$2 billion gigafactory, and the most significant new manufacturing investment in Illinois in decades – it's the most recent proof that we are in a new paradigm. Illinois is on the rise, and we're open for business"* (see enclosed Governor's Press Release).

In connection with this project, the Members of the Authority are requested to consider and approve a resolution whereby the Authority will administer \$10 million in financial aid under New Business Item 9 in Appendix A.

Conduit Financing and Projects

The issuance of conduit revenue bonds, currently the Authority's primary service and financial product, generally has four structures: public offerings, limited public offerings, private placements, and direct-purchases. Bond proceeds from tax-exempt qualified private activity financings and commercial property assessed clean energy financings lent to borrowers under each of these conduit financing structures are not from public funds but are instead from private funds.

The Authority's Bond Handbook (which is evaluated and updated from time to time) mitigates headline risk by setting forth the Authority's requirements and policies applicable to bonds issued under each of these conduit financing structures and reflects the Authority's philosophy of providing its borrowers with a customer-driven bond transaction process.

This month, the Authority has four conduit financings for large-scale projects for consideration and approval by the Members of the Authority. Two of the conduit financings are on behalf of for-profit borrowers, one publicly traded (***Waste Management, Inc.***) and one privately held (***LRS Holdings, LLC***) that provide solid waste disposal services in Illinois; and two of the conduit financings are on behalf of nonprofit borrowers (***The Carle Foundation*** and ***City of Hope***) that provide healthcare services in Illinois, the latter of which is relatively new to Illinois.

Despite past challenges to generate sufficient revenue to support operations, a higher interest rate environment appears to have significantly enhanced the Authority's project pipeline in the tax-exempt private activity bond market. Assuming the four transactions on today's agenda price and close before December 31, 2023, the Authority will have generated approximately 75% of its anticipated revenue from conduit financing closings for fiscal year 2024.

Welcome

On August 28, 2023, the Authority welcomed two new Members: ***Susan Abrams*** and ***Steve Landek***. Additionally, Member ***Randy Wexler*** was reappointed on the same day. Congratulations to Members Abrams, Landek and Wexler on their appointments, and thank you for your volunteer public service. Please also extend a warm welcome to the Authority's newest staff colleague, ***Joanna Martinez-Avina***, Vice President of Higher Education and Nonprofit financings.

Gov. Pritzker and Gotion Announce New \$2 Billion Electric Vehicle Battery Gigafactory in Kankakee County

Press Release - Friday, September 08, 2023

Historic company investment will create over 2,600 new good-paying jobs in Manteno

MANTENO - Governor JB Pritzker and Gotion today joined local Illinois leaders and officials to announce the company's decision to locate its new state-of-the-art \$2 billion electric vehicle (EV) lithium battery manufacturing plant in Manteno. Bolstered by a REV Illinois (Reimagining Energy and Vehicles) incentive package and the new Invest in Illinois fund, Gotion's decision to locate its new gigafactory in Illinois speaks to the state's growing reputation as an EV manufacturing powerhouse and represents a significant step forward in growing its EV ecosystem and supply chain. The plant is expected to begin production in 2024.

"Today, we take another leap forward, announcing the largest electric vehicle battery production investment in Illinois to date. It's my pleasure to welcome a world-leading battery manufacturer — Gotion — to Illinois," **said Governor JB Pritzker**. "This announcement is a testament to Illinois status as a leading destination for companies and investors who want the most talented workers, the best transportation systems, and a collaborative economic growth mindset from their partners in government at all levels. With 2,600 new jobs, a \$2 billion gigafactory, and the most significant new manufacturing investment in Illinois in decades — it's the most recent proof that we are in a new paradigm. Illinois is on the rise, and we're open for business."

"Our administration is creating a better and healthier future. This new facility will be a game-changer in our state's economy, creating new jobs and showing our continued commitment to making Illinois a renewable energy manufacturing powerhouse," **said Lt. Gov. Juliana Stratton**. "We are providing real solutions and new opportunities for our residents to push forward with us. I thank Governor Pritzker for his steadfast leadership for a greener tomorrow."

"Energy and environmental protection are our common challenges. To address them, solar power, wind, and energy storage systems are becoming the backbone of a new energy system and accelerate the revolution in the global energy landscape," **said Li Zhen, Chairman of Gotion High-tech**. "All that we see here [in Illinois] are of enormous value to us: an enabling business environment, a supportive state government for the new energy industry and their highly efficient work, as well as the prospects of the State of Illinois in the coming years. When we come to Illinois, we are not building a new factory but are planning to reuse an existing one and bring it back to life again as our way of cherishing and conserving resources. We believe that Gotion's battery technology will help to

boost e-mobility in North America and the economic and trade exchanges between China and the U.S."

Gotion's new state-of-the-art EV battery plant will help bolster the supply chain and meet growing demand for batteries across the EV sector, including Gotion's partners, as well as additional EV manufacturers across North America. The facility will focus on lithium-ion battery cell, battery pack production, and energy storage system integration. Once completed, the facility in Manteno is expected to produce 10 GWh of lithium-ion battery packs and 40 GWh of lithium-ion battery cells, which will strengthen the American EV battery supply chain. The site will cover approximately 150 acres.

With competitive incentives through REV Illinois, unmatched infrastructure, access to markets, as well as an abundant and qualified workforce, Gotion selected Illinois to locate its gigafactory after a competitive nationwide search. Illinois' assets combined with a comprehensive REV Illinois incentive package and the state's new Invest in Illinois Fund helped secure Gotion's historic investment in Illinois.

Gotion's total incentive package from the State of Illinois, which includes REV, Invest in Illinois, and other incentives, is valued at \$536 million. Through REV, Gotion is eligible to receive tax benefits totaling \$213 million over 30 years. The REV agreement specifies a minimum company investment of \$1.9 billion and the creation of 2,600 full-time jobs that are paid at least 120% of the average wage of similar job classifications in Kankakee County. A link to the executed REV agreement can be found [here](#).

Gotion will also be the first recipient of Invest in Illinois funding in the amount of \$125 million in capital funding to the company. The Fund was signed into law in early 2023 to make Illinois more attractive when vying for large projects in highly competitive sectors like clean energy. A link to the executed Invest in Illinois agreement can be found [here](#).

Gotion was also approved by local authorities for property tax abatement for 30 years.

As part of Illinois' commitment to build out comprehensive EV hubs and support Illinois' workforce, the state will also fund a new manufacturing training academy nearby, as well as award an additional grant to workforce providers to expand training and prepare regional employees for the new jobs.

"The legislature and Governor have worked diligently to create a stable, predictable economic climate in which business can thrive," **said Illinois Senate President Don Harmon (D-Oak Park)**. "Our partnership with Gotion is possible thanks to years of hard work and investment. Illinois is one of the best places in the world to do business."

"This exciting project is another step toward putting Illinois on the cutting edge of the electric vehicle market—while also uplifting communities across our state," **said House Speaker Emanuel 'Chris' Welch**. "Working together, the majority in the General Assembly and Governor Pritzker have made strides to rebuild Illinois' fiscal house, pair 21st Century job creators with smart incentives, and show

the world that Illinois is a hub of opportunity. There's more work to be done and we're going to continue moving Illinois forward, strengthening our economic future, and creating new opportunities across our state."

"I am thrilled to see this groundbreaking development of Gotion's state-of-the-art EV battery plant right here in Kankakee County," **said State Senator Patrick Joyce (D-Essex)**. "This facility not only represents a step forward in strengthening the EV supply chain, but also highlights Illinois' commitment to innovation and job creation."

"Illinois is emerging as a nationwide leader in the electric vehicle industry," **said Senator Elgie Sims Jr. (D-Chicago)**. "To see our state government providing more opportunities for long-term careers in this ever-growing industry is exciting and shows that we are committed to sustainable innovation."

"This \$2 billion investment in Kankakee County is also an investment in the future of our region and our state," **said State Rep. Nicholas Smith (D-Chicago)**. "We're powering tomorrow's in-demand vehicles right here in Manteno, and that will power good-paying jobs and economic development for the entire community."

"Businesses that are looking to invest in their future are looking at the investments Illinois is making in our transportation infrastructure, our workforce, and in long-term partnerships with innovators," **said State Rep. Marcus Evans (D-Chicago)**. "We're building a 21st Century economy that works for everybody, and this an exciting example of the businesses that are ready to be a part of that."

"This exciting project is a win for the entire Southland region, made possible by south suburban lawmakers and the governor working together to invest in growing our business community and creating good-paying jobs for our region," **said State Rep. Thaddeus Jones (D-Calumet City)**. "I look forward to continuing to work for opportunity and investment in our local economy."

"This announcement is a huge win for Manteno, Kankakee County, and the State of Illinois, and will only enhance and strengthen our robust manufacturing sector," **said Timothy O. Nugent, Mayor of Manteno**.

"Between today's announcement, recent investments in the electric vehicle space throughout the state, and thanks to our skilled and diverse talent pool, world-class universities, and key infrastructure, it's clear Illinois is well-positioned to be a leader in the electric vehicle space," **said Jack Lavin, President & CEO, Chicagoland Chamber of Commerce**. "Today's announcement will set us on a course to secure significant jobs and investment for years to come. We thank Governor Pritzker for his commitment to investing in industries that drive our economic growth and create jobs and his leadership in the effort to secure this facility. We look forward to continuing to work together to attract more generational economic development opportunities across the state."

"At Nicor Gas, we are proud to serve the Manteno community and are excited to welcome Gotion as they expand their state-of-the-art battery and energy storage operations into Illinois," **said Wendell Dallas, President and CEO of Nicor Gas**. "We look forward to working with the State of Illinois and

economic development partners with an 'all of the above' net-zero energy mix that will result in manufacturing jobs coming to Kankakee County."

"Illinois' strategic location and skilled workforce make it an attractive location for EV companies," **said Intersect Illinois CEO Dan Seals**. "Gotion will not only bring thousands of jobs and billions of dollars in investment to Illinois, but will also help advance the state's thriving EV ecosystem."

"Today's announcement is a huge win for Governor Pritzker and Illinois. It builds on our state's long history of auto manufacturing, and we are thrilled to welcome Gotion to Illinois as we work diligently to create an innovative ecosystem that supports our growing electric vehicle sector," **said Mark Denzler, President & CEO of the Illinois Manufacturers' Association**. "We are proud to have partnered with Gov. JB Pritzker's administration and lawmakers on both sides of the aisle to put in place incentives to help bring these businesses to Illinois, and we look forward to the continued success of this important industry."

"This project is an important step forward for Illinois," **said Rob Karr, President & CEO, Illinois Retail Merchants Association**. "While the investment itself is significant, the broader impacts of the new jobs and related economic developments will be a significant boost for existing business. We congratulate Governor Pritzker, our legislative leaders, and everyone promoting Illinois."

"Team Illinois has a bold vision to lead our country's efforts to decarbonize transportation. This exciting announcement is a critical step and a sign of many more transformative contributions to come," **said Brad Henderson, CEO of P33**.

"The Illinois Economic Development Association is proud to support the state's new business attraction tools," **said IEDA Chairman Michael Cassa**. "The announcement of the EV project proves the tools are working."

"The Illinois Climate Equitable and Jobs Act (CEJA) empowered the Illinois Finance Authority to use finance to combat climate change as the Climate Bank," **said Chris Meister, Executive Director, Illinois Finance Authority/Climate Bank**. "Through an economic development loan, and potentially other financial assistance to this project, we are proud to advance Governor Pritzker's vision of a zero-carbon transportation future that will help families across our State and create good paying Illinois jobs."

"Gotion's decision to choose Illinois speaks volumes to our unmatched infrastructure, workforce, and incentives. The historic \$2 billion commitment represents the largest EV battery plant investment in Illinois, bolstering the state's EV battery supply chain and helping to attract and retain other heavy hitters in the industry. Most importantly, the gigafactory will create thousands of good-paying, clean energy jobs for hardworking Illinoisans," **said DCEO Director Kristin Richards**. "With global demand soaring, we're proud to add Gotion's EV batteries to the extensive list of products proudly made in Illinois."

VI. COMMITTEE REPORTS

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VII. PRESENTATION AND CONSIDERATION OF NEW BUSINESS ITEMS

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RESOLUTION 2023-0912-CF01

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$125,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY SOLID WASTE DISPOSAL REVENUE BONDS (LRS HOLDINGS, LLC PROJECT), SERIES 2023, THE PROCEEDS OF WHICH ARE TO BE LOANED TO LRS HOLDINGS, LLC.

WHEREAS, the Illinois Finance Authority (the “*Authority*”) has been created by the Illinois Finance Authority Act, 20 ILCS 3501-801-1, et seq., as amended (the “*IFA Act*”); and

WHEREAS, the Authority is authorized and empowered by the provisions of the IFA Act to issue its revenue bonds to finance or refinance the costs of any industrial, commercial or manufacturing project in order to promote the expansion, retention or diversification of employment opportunities within the State of Illinois (the “*State*”) or any area thereof and aid in stabilizing developing any industry or economic sector of the State economy; and

WHEREAS, the Authority is authorized and empowered by the provisions of the Illinois Environmental Facilities Financing Act, 20 ILCS 3515-1, et seq., as amended (the “*Environmental Act*” and together with the IFA Act, the “*Acts*”) to issue revenue bonds to finance or refinance the costs of any environmental facility; and

WHEREAS, LRS Holdings, LLC, a Delaware limited liability company (together with its wholly-owned subsidiaries or affiliates, the “*Company*”), has requested that the Authority issue not to exceed \$125,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Solid Waste Disposal Revenue Bonds (LRS Holdings, LLC Project), Series 2023 (the “*Series 2023 Bonds*”) and loan the proceeds thereof to the Company in order to assist the Company in providing all or a portion of the funds necessary to finance or refinance certain solid waste disposal facilities, including, but not limited to, the following: (a) the acquisition of new collection vehicles, trucks, trailers, solid waste disposal containers and related equipment, and computers and related equipment supporting such operations; (b) the acquisition of certain solid waste recycling, sorting, and processing equipment; (c) the construction, improvement, and equipping of certain solid waste disposal, collection, transfer, recycling, and customer care facilities; (d) improvements to currently permitted landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, including collection, processing and treatment systems for the capture, conversion and/or distribution of landfill gas, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site, paving, grading, and other infrastructure improvements, and (vi) without limitation, any other authorized use of the proceeds of the Series 2023 Bonds by the Company, including any installation, development, design, engineering, replacements, demolition, improvements, equipment, construction, renovation, structures, permitting, and related capital expenditures necessary to accomplish the foregoing improvements, (e) the construction, improvement, installation and equipping of facilities, equipment or assets functionally related and subordinate thereto, which in each case will be owned and/or operated by the Company, and place them into service within the State (collectively, the “*Project*”); and (f) the

payment of all or a portion, if any, of the costs of issuance of the Series 2023 Bonds, all as permitted by the Acts (collectively, the “*Financing Purposes*”); and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the “*Authority Documents*”):

(a) an Indenture of Trust (the “*Indenture*”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), providing for the issuance thereunder of the Series 2023 Bonds and setting forth the terms and provisions applicable to the Series 2023 Bonds, including securing the Series 2023 Bonds by an assignment thereunder to the Trustee of certain of the Authority’s rights in and to the Loan Agreement (as hereinafter defined);

(b) a Loan Agreement (the “*Loan Agreement*”) between the Authority and the Company, under which the Authority will loan the proceeds of the Series 2023 Bonds to the Company, all as more fully described in the Loan Agreement; and

(c) a Bond Purchase Agreement (the “*Purchase Contract*”) among the Authority, the Company, and such firm or firms of municipal bond underwriters as may be approved by the Authority (with execution of the Purchase Contract constituting approval by the Authority) and the Company including, without limitation, J.P. Morgan Securities LLC, Truist Securities, Inc. and Fifth Third Securities, Inc. (the “*Underwriters*”), providing for the sale by the Authority and the purchase by the Underwriters of the Series 2023 Bonds; and

WHEREAS, in connection with the issuance of the Series 2023 Bonds, the following additional documents may be executed and delivered by parties other than the Authority (collectively, the “*Additional Transaction Documents*”):

(a) the Limited Offering Memorandum (the “*Limited Offering Memorandum*”), substantially in the form of the draft Preliminary Limited Offering Memorandum (the “*Preliminary Limited Offering Memorandum*”) previously provided to and on file with the Authority, relating to the offering of the Series 2023 Bonds;

(b) a Guaranty Agreement (the “*Guaranty Agreement*”) executed by the guarantors identified therein in favor of the Trustee relating to the Series 2023 Bonds; and

(c) a Remarketing Agreement between the Company and J.P. Morgan Securities LLC, as remarketing agent.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

Section 1. Findings. Based upon the representations of the Company, the Authority hereby makes the following findings and determinations with respect to the Company, the Series 2023 Bonds to be issued by the Authority and the facilities financed or refinanced with the proceeds of the Series 2023 Bonds:

(a) The Company is a limited liability company organized under the laws of the State of Delaware and is qualified to do business in the State;

(b) The Company has properly filed with the Authority its request for assistance in providing funds to the Company and the funds will be used for the Financing Purposes, and the facilities financed or refinanced with the proceeds of the Series 2023 Bonds will be owned and operated by the Company and such facilities are included within the term “*project*” as defined in the Acts;

(c) The Series 2023 Bonds are being issued for a valid purpose under and in accordance with the provisions of the Acts; and

(d) The Series 2023 Bonds may be issued pursuant to either of the Acts, with the final determination of same to be designated by the Executive Director of the Authority prior to the issuance of the Series 2023 Bonds.

Section 2. Series 2023 Bonds. In order to obtain the funds to loan to the Company to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2023 Bonds. The Series 2023 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Indenture in an aggregate principal amount not exceeding \$125,000,000, excluding original issue discount or premium, if any. The Series 2023 Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of the Indenture.

The Series 2023 Bonds shall mature not later than 30 years from the date of their issuance, may be subject to serial maturities or mandatory bond sinking fund redemption as provided in the Indenture and shall bear interest at stated rates not exceeding 12.0% per annum. The Series 2023 Bonds shall be subject to optional, extraordinary optional and mandatory redemption and be payable all as set forth in the Indenture.

The Series 2023 Bonds shall be issued only as fully registered bonds without coupons. The Series 2023 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or its Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2023 Bonds shall be issued and sold by the Authority and purchased by the Underwriters at a purchase price of not less than 95.0% of the principal amount of such Series 2023 Bonds, excluding any original issue discount or premium, if any, plus accrued interest, if any. The Underwriters shall receive total underwriting compensation with respect to the sale of the Series 2023 Bonds, including underwriting discount, not in excess of 1.3% of the principal amount

of the Series 2023 Bonds, excluding original issue discount or premium, if any, in connection with the sale of the Series 2023 Bonds.

The Series 2023 Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Issuer Rights (as defined in the Indenture)). The Series 2023 Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2023 Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreement, the Guaranty Agreement and other amounts available under the Indenture and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the principal amount, number of series or subseries of Series 2023 Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional, extraordinary optional and mandatory redemption provisions, the Underwriters of the Series 2023 Bonds, and the interest rates of each series of the Series 2023 Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members to serve in such offices on an interim basis (each an “*Authorized Officer*”), and the delivery and use, of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the terms of the Series 2023 Bonds and the purchase thereof.

Section 4. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final forms as are approved by, the Authorized Officer of the Authority executing the Indenture, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the final forms of the Additional Transaction Documents or any changes or revisions therein from such forms of the Additional Transaction Documents.

Section 5. Distribution of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Authority does hereby approve the distribution of the

Preliminary Limited Offering Memorandum and the Limited Offering Memorandum by the Underwriters in connection with the offering and sale of the Series 2023 Bonds. The Limited Offering Memorandum shall be substantially in the form of the draft Preliminary Limited Offering Memorandum provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the Indenture, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final form of the Limited Offering Memorandum.

Section 6. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption certificates and agreements, supplemental bond indentures, escrow agreements or other agreements providing for the payment of the Series 2023 Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of Series 2023 Bonds and the acceptance of any continuing disclosure obligation of the Company) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Indenture.

Section 7. Severability. The provisions of this Final Bond Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Final Bond Resolution.

Section 8. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. Effectiveness. This Final Bond Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

RESOLUTION 2023-0912-CF02

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$650,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2023 (CITY OF HOPE) IN ONE OR MORE SERIES, AND ILLINOIS FINANCE AUTHORITY TAXABLE REVENUE BONDS, SERIES 2023 (CITY OF HOPE) IN ONE OR MORE SERIES, THE PROCEEDS OF WHICH ARE TO BE LOANED TO CITY OF HOPE.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY**, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “Authority”), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501-801-1 *et seq.*, as supplemented and amended (the “Act”), is authorized by the laws of the State of Illinois, including without limitation, the Act, to among other things, finance and refinance the cost of “health facilities” owned and operated by “participating health institutions” (as such terms are defined in the Act); and

WHEREAS, City of Hope, a nonprofit public benefit corporation organized and existing under the laws of California (the “Borrower”), has requested that the Authority issue not to exceed \$650,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds, Series 2023 (City of Hope) (the “Tax Exempt Bonds”) and one or more series of taxable Revenue Bonds, Series 2023 (City of Hope) (the “Taxable Bonds” and, together with the Tax Exempt Bonds, the “Bonds”), and loan the proceeds thereof to the Borrower in order to assist the Borrower in providing the funds necessary to refinance existing taxable debt of an affiliate of the Borrower, COH HoldCo, Inc., used to purchase health care facilities and to pay all or a portion of the costs of issuance of the Bonds (collectively, the “Financing Purposes”); and

WHEREAS, the Authority has adopted a policy requiring that non-rated bonds or bonds rated below investment grade be sold only to institutional “accredited investors” or “qualified institutional buyers” (as such terms are defined by the Securities and Exchange Commission) in minimum denominations of at least \$100,000, unless a borrower has requested and obtained a waiver of such policy from the Authority, which waivers are subject to the satisfaction of certain conditions set forth in the policy; and

WHEREAS, the Borrower has informed the Authority that the Borrower reasonably expects that the Bonds will be sold to Bank of America, N.A. (the “Direct Purchaser”), which is a qualified institutional buyer or an institutional accredited investor, in a private placement with minimum denominations of at least \$100,000; and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the “Authority Documents”):

(a) a Bond Indenture (the “Tax Exempt Bond Indenture”) between the Authority and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as bond trustee (the “Bond Trustee”), providing for the issuance thereunder of the Tax Exempt Bonds in one or more series

or subseries and setting forth the terms and provisions applicable to the Tax Exempt Bonds, including securing the Tax Exempt Bonds by an assignment thereunder to the Bond Trustee of the Authority's right, title and interest in and to the related obligation and certain of the Authority's rights in and to the Tax Exempt Loan Agreement (as hereinafter defined); and

(b) a Loan Agreement (the "Tax Exempt Loan Agreement") between the Authority and the Borrower, under which the Authority will loan the proceeds of the Tax Exempt Bonds to the Borrower, all as more fully described in the Tax Exempt Loan Agreement; and

(c) a Purchase Agreement (the "Tax Exempt Purchase Contract") among the Authority, the Borrower, and Bank of America, N.A. (the "Direct Purchaser"), as purchaser of all of the Tax Exempt Bonds, providing for the sale by the Authority and the purchase by the Direct Purchaser of the Tax Exempt Bonds; and

(d) a Bond Indenture (the "Taxable Bond Indenture" and, together with the Tax Exempt Bond Indenture, the "Bond Indentures") between the Authority and the Bond Trustee, providing for the issuance thereunder of the Taxable Bonds in one or more series or subseries and setting forth the terms and provisions applicable to the Taxable Bonds, including securing the Taxable Bonds by an assignment thereunder to the Bond Trustee of the Authority's right, title and interest in and to the related obligation and certain of the Authority's rights in and to the Taxable Loan Agreement (as hereinafter defined); and

(e) a Loan Agreement (the "Taxable Loan Agreement" and, together with the Tax Exempt Loan Agreement, the "Loan Agreements") between the Authority and the Borrower, under which the Authority will loan the proceeds of the Taxable Bonds to the Borrower, all as more fully described in the Taxable Loan Agreement; and

(f) a Purchase Agreement (the "Taxable Purchase Contract" and, together with the Tax Exempt Purchase Contract, the "Purchase Contracts") among the Authority, the Borrower, and the Direct Purchaser, as purchaser of all of the Taxable Bonds, providing for the sale by the Authority and the purchase by the Direct Purchaser of the Taxable Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the following additional documents will be executed and delivered by parties other than the Authority (collectively, the "Additional Transaction Documents");

(a) an Amended and Restated Master Indenture, dated as of October 1, 2023, amending and restating that certain master trust indenture, dated as of November 1, 2012 (as supplemented, modified, amended or restated from time to time, the "Master Indenture"), among the City of Hope, acting as Credit Group Representative, with City of Hope National Medical Center (the "Medical Center"), Beckman Research Institute of the City of Hope (the "Beckman Institute"), City of Hope Medical Foundation (the "Foundation" and, together with City of Hope, the Medical Center and Beckman Institute, the "Members of the Credit Group"), and U.S. Bank Trust Company, National Association, as successor master trustee (the "Master Trustee"), which provides for the issuance by the Borrower, acting as Credit Group Representative, of Obligations (as hereinafter defined) thereunder upon entering into an indenture supplemental to the Master Indenture;

(b) one or more Supplemental Master Indentures (the “Supplemental Master Indentures”), supplementing and amending the Master Indenture providing for, among other things, the issuance thereunder of the Obligations; and

(b) one or more Obligations (the “Obligations”), which will evidence and secure the obligation of the Members of the Credit Group arising under the Loan Agreements, and, pursuant to the Bond Indentures, will be pledged to the Bond Trustee as security for the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

Section 1. Findings. Based upon the representations of the Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrower, the Members of the Credit Group, the Bonds to be issued by the Authority and the facilities financed and refinanced with the proceeds of the Bonds:

(a) The Borrower is a nonprofit public benefit corporation organized and existing under the laws of California and is a “participating health institution” under the Act;

(b) Each of the Members of the Credit Group is a California nonprofit public benefit corporation and each is a “participating health institution” under the Act;

(c) The Borrower is directly or indirectly affiliated with (i) Midwestern Regional Medical Center, LLC, which is a “participating health institution” under the Act and is qualified to do business in the State of Illinois; (ii) Western Regional Medical Center, Inc., which is a “participating health institution” under the Act and is qualified to do business in the State of Arizona; and (iii) Southeastern Regional Medical Center, Inc., which is a “participating health institution” under the Act and is qualified to do business in the State of Georgia;

(d) The Borrower is directly or indirectly affiliated with Midwestern Regional Medical Center, LLC, the owner and operator of health care facilities located in the State of Illinois, including City of Hope Comprehensive Care and Research Center, Chicago; City of Hope Outpatient Care Center, Downtown Chicago; and City of Hope Outpatient Care Center, Gurnee;

(d) The Borrower has properly filed with the Authority its request for assistance in issuing the Bonds for the benefit of the Borrower and the funds will be used for the Financing Purposes, and the facilities to be financed or refinanced with the proceeds of the Bonds will be owned and operated by Midwestern Regional Medical Center, LLC, Western Regional Medical Center, Inc., or Southeastern Regional Medical Center, Inc., and such facilities are included within the term “project” as defined in the Act;

(e) The indebtedness to be refinanced with the proceeds of the Bonds was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Borrower, were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a “project” (as defined in the Act) owned or operated by the Borrower, or an affiliate, such refinancing is in the public interest, alleviates a

financial hardship of the Borrower, is in connection with other financings by the Authority for the Borrower and is permitted and authorized under the Act;

(f) The Borrower is engaged in the refinancing of the costs of “projects” (as defined in the Act) located within the State of Illinois and maintains a significant presence (as defined in the Act) within the State of Illinois;

(g) Refinancing the out-of-state portion of the “project” will promote the economy of the State of Illinois for the benefit of the health, welfare, safety, trade, commerce, industry and economy of the people of the State of Illinois by lowering the cost of accessing healthcare and health facility projects in the State of Illinois by reducing the cost of financing, refinancing or operating projects;

(h) After giving effect to the issuance of the Bonds, the Authority shall have the ability to issue at least an additional \$1,000,000,000 of bonds under Section 845-5(a) of the Act; and

(i) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Bonds. In order to obtain the funds to loan to the Borrower to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Bonds. The Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indentures in an aggregate principal amount not exceeding \$650,000,000, excluding original issue discount or premium, if any. The Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by the Chairperson, Vice Chairperson, Executive Director, General Counsel or any Assistant Executive Director of the Authority, or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis (each, an “Authorized Officer”), which approval shall be evidenced by such Authorized Officer’s execution and delivery of the Bond Indentures.

The Bonds shall mature not later than 40 years from the date of their issuance and shall have maturities provided in the Bond Indentures. The Bonds shall bear interest at rates established under the Bond Indentures with initial rates not exceeding 7% per annum and a maximum interest rate not exceeding 12% per annum, and shall be subject to optional redemption and be payable all as provided in the Bond Indentures.

The Bonds shall be issued only as fully registered bonds without coupons. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, its Vice Chairperson or its Executive Director (or any person duly appointed by the Members of the Authority to serve in such office on an acting or interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or Assistant Secretary (or any person duly appointed by the Members of the Authority to serve in such office on an interim basis), and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Bonds and the interest thereon shall be special, limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreements (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond Indentures)). The Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreements (as secured by the Obligations) and other amounts available under the Bond Indentures and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to an Authorized Officer the power and duty to make final determinations as to the principal amount, number of series or subseries of Bonds and any names or other designations therefor, dated date, delivery date, maturities, redemption provisions, and the interest rates of the Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by an Authorized Officer and the delivery, performance and use of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document, if so required. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same (including, without limitation, if deemed appropriate, the addition of certain financial and similar covenants), with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Bonds and the purchase thereof.

Section 4. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The final forms of the Additional Transaction Documents shall be approved by the Authorized Officer of the Authority executing the Bond Indentures, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of the final forms of the Additional Transaction Documents.

Section 5. Compliance with Credit Rating Policy for the Bonds. Based on the fact that the Borrower reasonably expects that the Bonds will be sold to the Direct Purchaser, which is a qualified institutional buyer or institutional accredited investor, in a private placement with minimum denominations of at least \$100,000, the Authority finds that the issuance of the Bonds complies with its policy regarding bonds which are unrated.

Section 6. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of one or more tax exemption agreement and any additional documents that may be necessary to provide for one or more additional series or subseries of Bonds and the

acceptance of any continuing disclosure agreement of the Borrower pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to take such action, by any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indentures.

Section 7. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 8. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

RESOLUTION 2023-0912-CF03

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$250,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2023 (THE CARLE FOUNDATION), IN ONE OR MORE SERIES, THE PROCEEDS OF WHICH ARE TO BE LOANED TO THE CARLE FOUNDATION AND CERTAIN OF ITS AFFILIATES, AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND TRUST INDENTURES, ONE OR MORE LOAN AGREEMENTS, ONE OR MORE PURCHASE CONTRACTS, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the ILLINOIS FINANCE AUTHORITY (the “*Authority*”) has been created by the Illinois Finance Authority Act, 20 ILCS 3501-801-1, et seq., as amended (the “*Act*”); and

WHEREAS, THE CARLE FOUNDATION, an Illinois not for profit corporation (the “*Corporation*”), has requested that the Authority issue not to exceed \$250,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of (i) one or more series of tax-exempt Revenue Bonds, Series 2023 (The Carle Foundation) initially bearing interest at fixed rates (the “*Fixed Rate Bonds*”), and (ii) one or more series of tax-exempt Revenue Bonds, Series 2023 (The Carle Foundation) initially bearing interest at variable rates (the “*Variable Rate Bonds*” and, together with the Fixed Rate Bonds, the “*Bonds*”) and loan the proceeds thereof to the Corporation in order to assist the Corporation in providing a portion of the funds necessary to do any or all of the following: (i) pay or reimburse the Corporation for the cost of acquiring certain assets of Iowa Health System (d/b/a UnityPoint Health) including but not limited to the hospitals known as The Methodist Medical Center of Illinois, Proctor Hospital and Pekin Memorial Hospital, and affiliated clinics, home health services, behavioral health and recovery services and a college known as Methodist College; (ii) pay or reimburse the Corporation and/or the other Members of the Obligated Group (as hereinafter defined) for the cost of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities; (iii) pay a portion of the interest on the Bonds, if deemed necessary or desirable by the Corporation; (iv) provide working capital, if deemed necessary or desirable by the Corporation; (v) establish a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Corporation; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “*Financing Purposes*”); and

WHEREAS, the following documents will be executed and delivered by the Authority (collectively, the “*Authority Documents*”):

(a) one or more Bond Trust Indentures (collectively, the “*Fixed Rate Bond Indenture*”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “*Bond Trustee*”), providing for the issuance thereunder of the Fixed Rate Bonds and setting forth the terms and provisions applicable to the Fixed Rate

Bonds, including securing the Fixed Rate Bonds by an assignment thereunder to the Bond Trustee of the Authority's right, title and interest in and to the Fixed Rate Obligation (as hereinafter defined) and certain of the Authority's rights in and to the Fixed Rate Loan Agreement (as hereinafter defined);

(b) one or more Loan Agreements (collectively, the "*Fixed Rate Loan Agreement*") between the Authority and the Corporation, under which the Authority will loan the proceeds of the Fixed Rate Bonds to the Corporation, all as more fully described in the Fixed Rate Loan Agreement;

(c) one or more Bond Trust Indentures (collectively, the "*Variable Rate Bond Indenture*" and, together with the Fixed Rate Bond Indenture, the "*Bond Indenture*") between the Authority and the Bond Trustee, providing for the issuance thereunder of the Variable Rate Bonds and setting forth the terms and provisions applicable to the Variable Rate Bonds, including securing the Variable Rate Bonds by an assignment thereunder to the Bond Trustee of the Authority's right, title and interest in and to the Variable Rate Obligation (as hereinafter defined) and certain of the Authority's rights in and to the Variable Rate Loan Agreement (as hereinafter defined);

(d) one or more Loan Agreements (collectively, the "*Variable Rate Loan Agreement*" and, together with the Fixed Rate Loan Agreement, the "*Loan Agreement*") between the Authority and the Corporation, under which the Authority will loan the proceeds of the Variable Rate Bonds to the Corporation, all as more fully described in the Variable Rate Loan Agreement;

(e) one or more Purchase Contracts (collectively, the "*Fixed Rate Purchase Contract*") among the Authority, the Corporation, on behalf of itself and the other Obligated Group Members, and Bank of America, N.A., as the purchaser of the Fixed Rate Bonds (the "*Fixed Rate Purchaser*");

(f) one or more Purchase Contracts (collectively, the "*Variable Rate Purchase Contract*" and, together with the Fixed Rate Purchase Contract, the "*Purchase Contract*") among the Authority, the Corporation, on behalf of itself and the other Obligated Group Members, and Bank of America, N.A., as the purchaser of the Variable Rate Bonds (the "*Variable Rate Purchaser*" and, together with the Fixed Rate Purchaser, the "*Purchaser*"); and

WHEREAS, in connection with the issuance of the Bonds, the following additional documents may be executed and delivered by parties other than the Authority (collectively, the "*Additional Transaction Documents*");

(a) a Fourth Supplemental Master Trust Indenture between the Corporation, as Obligated Group Agent, on behalf of itself, The Carle Foundation Hospital (the "*Hospital*"), Carle Health Care Incorporated ("*Health Care*"), Carle Retirement Centers, Inc. ("*Retirement Centers*"), Hoopeson Community Memorial Hospital ("*Hoopeson Hospital*"), Richland Memorial Hospital, Inc. ("*Richland Hospital*"), Carle BroMenn

Medical Center (“*BroMenn*”), Carle Eureka Hospital (“*Eureka Hospital*”) and Carle West Physician Group, Inc. (“*CWPG*”), The Methodist Medical Center of Illinois (“*Methodist*”), Proctor Hospital (“*Proctor*”), Pekin Memorial Hospital (“*Pekin*”), Carle Health – West Region (“*CHW*”), Carle Health – East Region (“*CHE*”) and Carle Health – Central Region (“*CHC*”) and Carle Health – South Region (“*CHS*” and, together with the Corporation, the Hospital, Health Care, Retirement Centers, Hoopeston Hospital, Richland Hospital, BroMenn, Eureka Hospital, CWPG, Methodist, Proctor, Pekin, CHW, CHE, and CHC, the “*Members of the Obligated Group*”), and The Bank of New York Mellon Trust Company, N.A., as successor master trustee (the “*Master Trustee*”), supplementing and amending the Amended and Restated Master Trust Indenture dated as of May 1, 2021, as previously supplemented and amended (the “*Original Master Indenture*”), among the Corporation and the other Members of the Obligated Group and the Master Trustee, providing for, among other things, the issuance thereunder of the Series 2023 Obligation (as hereinafter defined);

(b) one or more Direct Note Obligations, Series 2023 of the Corporation (collectively, the “*Fixed Rate Obligation*”), which will be pledged as security for the Obligated Group’s obligations under the Fixed Rate Loan Agreement, in an aggregate principal amount equal to the aggregate principal amount of the Fixed Rate Bonds and with prepayment, maturity and interest rate provisions similar to the Fixed Rate Bonds; and

(c) one or more Direct Note Obligations, Series 2023 of the Corporation (collectively, the “*Variable Rate Obligation*” and together with the Fixed Rate Obligation, the “*Series 2023 Obligation*”), which will be pledged as security for the Obligated Group’s obligations under the Variable Rate Loan Agreement, in an aggregate principal amount equal to the aggregate principal amount of the Variable Rate Bonds and with prepayment, maturity and interest rate provisions similar to the Variable Rate Bonds; and

(d) one or more Use Agreements (collectively, the “*Use Agreement*”) among the Corporation and certain other Members of the Obligated Group under which each will make certain covenants relating to the use of a portion of the property financed or refinanced with proceeds of the Bonds, all as more fully described in the Use Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

Section I. Findings. Based upon the representations of the Corporation, on behalf of itself and the other Obligated Group Members, the Authority hereby makes the following findings and determinations with respect to the Corporation, the other Members of the Obligated Group, the Bonds to be issued by the Authority and the facilities to be financed or refinanced with the proceeds of the Bonds:

(a) Each Member of the Obligated Group is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) Each Member of the Obligated Group is a “*participating health institution*” (as defined in the Act);

(c) The Corporation is the direct or indirect member of each other Member of the Obligated Group;

(d) (i) The Hospital owns and operates a 489-bed tertiary care hospital in Urbana, Illinois; (ii) Retirement Centers operates a retirement living center for the elderly in Savoy, Illinois; (iii) Health Care operates Carle Physician Group, a group medical practice comprising over 1,400 health care providers, a day care center, and provides emergency ground transportation and emergency site-response services in east central Illinois; (iv) Hoopeston Hospital owns and operates a 24-bed critical access hospital in Hoopeston, Illinois; (v) Richland Hospital owns and operates a 104-bed acute care hospital in Onley, Illinois; (vi) BroMenn owns and operates a 221-bed acute care hospital in Normal, Illinois; (vii) Eureka Hospital owns and operates a 25-bed critical access hospital in Eureka, Illinois; (viii) CWPG operates Carle West Physician Group, a group medical practice comprising approximately 80 physicians and 44 advanced practice providers; (ix) Methodist owns and operates a 329-bed acute care hospital in Peoria, Illinois; (x) Proctor owns and operates a 228-bed acute care hospital in Peoria, Illinois; and (xi) Pekin owns and operates an 85-bed acute care hospital in Pekin, Illinois;

(e) The Corporation has properly filed with the Authority its request for assistance in providing funds to the Corporation and the funds will be used for the Financing Purposes, and the facilities financed or refinanced with the proceeds of the Bonds will be owned and operated by the Corporation or another Member of the Obligated Group and such facilities are included within the term “*project*” as defined in the Act;

(f) The facilities to be financed or refinanced with the proceeds of the Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship; and

(g) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Bonds. In order to obtain the funds to loan to the Corporation to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Bonds. The Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indenture in an aggregate principal amount not exceeding \$250,000,000, excluding original issue discount or premium, if any. The Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of the Bond Indenture.

The Fixed Rate Bonds shall mature not later than 40 years from the date of their issuance, may be subject to serial maturities or mandatory bond sinking fund redemption as provided in the

Fixed Rate Bond Indenture and shall initially bear interest at stated rates not exceeding 7.00% per annum. The Fixed Rate Bonds shall be subject to purchase and tender and to optional and extraordinary redemption and be payable all as set forth in the Fixed Rate Bond Indenture.

The Variable Rate Bonds shall mature not later than 40 years from the date of their issuance, and shall have maturities or mandatory bond sinking fund redemption as provided in the Variable Rate Bond Indenture. The Variable Rate Bonds initially bearing interest at variable rates shall bear interest at rates established under the Variable Rate Bond Indenture with initial rates not exceeding 7.00% per annum and a maximum interest rate not exceeding 25.0% per annum, and shall be subject to purchase and tender and to optional and extraordinary redemption and be payable all as set forth in the Variable Rate Bond Indenture.

The Bonds shall be issued only as fully registered bonds without coupons. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or its Executive Director (and for purposes of this Bond Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Bonds shall be issued and sold by the Authority and purchased by the Purchaser at a purchase price of not less than 98% of the principal amount of such Bonds, excluding any original issue discount or premium, if any, plus accrued interest, if any.

The Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond Indenture)). The Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreement and the Series 2023 Obligation and other amounts available under the Bond Indenture and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the principal amount, number of series or subseries of the Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, optional and mandatory tender provisions, and the interest rates of each series of the Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members of the Authority to

serve in such offices on an interim basis (each an “*Authorized Officer*”), and the delivery and use, of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the terms of the Bonds and the purchase thereof.

Section 4. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final forms as are approved by, the Authorized Officer of the Authority executing the Bond Indenture, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the final forms of the Additional Transaction Documents or any changes or revisions therein from such forms of the Additional Transaction Documents.

Section 5. Authorization and Ratification of Subsequent Acts. The Members of the Authority, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption agreements, supplemental bond indentures and any additional documents that may be necessary to provide for one or more additional series or subseries of the Bonds) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members of the Authority, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indenture.

Section 6. Severability. The provisions of this Bond Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Bond Resolution.

Section 7. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. Effectiveness. This Bond Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary (or Assistant Secretary)

[SEAL]

RESOLUTION 2023-0912-CF04

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY SOLID WASTE DISPOSAL REVENUE BONDS (WASTE MANAGEMENT, INC. PROJECT) SERIES 2023, THE PROCEEDS OF WHICH ARE TO BE LOANED TO WASTE MANAGEMENT, INC.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the “*Authority*”) has been created by the Illinois Finance Authority Act, 20 ILCS 3501-801-1, et. seq., as amended (the “*IFA Act*”); and

WHEREAS, the Authority is authorized and empowered by the provisions of the IFA Act to issue its revenue bonds to finance or refinance the costs of any industrial, commercial or manufacturing project in order to promote the expansion, retention or diversification of employment opportunities within the State of Illinois (the “*State*”) or any area thereof and aid in stabilizing developing any industry or economic sector of the State economy; and

WHEREAS, the Authority is also authorized and empowered by the provisions of the Illinois Environmental Facilities Financing Act, 20 ILCS 3515-1, et seq., as amended (the “*Environmental Act*” and together with the IFA Act, the “*Acts*”), to issue its revenue bonds to finance or refinance the costs of any environmental facility; and

WHEREAS, **WASTE MANAGEMENT, INC.**, a Delaware corporation (the “*Corporation*”), has requested that the Authority issue not to exceed \$50,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project) Series 2023 (the “*Series 2023 Bonds*”) and loan the proceeds thereof to the Corporation in order to assist the Corporation in providing a portion of the funds necessary to do any or all of the following: (a) finance improvements to existing landfill facilities, including but not limited to (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site and/or land improvements, including construction of building facilities, (vi) acquisition of real property, (vii) acquisition of equipment to be used at the landfill facilities, and (viii) acquisition of other equipment and assets necessary to support the foregoing additions and improvements and to place them into service (collectively, the “*Project*”), all owned and operated by the Corporation or one of its wholly-owned subsidiaries and located within the State at the following addresses and localities: (A) 31725 N. Route 83, Grayslake (Lake County); (B) 13998 E. 1400th Street, Macomb (McDonough County); (C) 10400 Hillstown Road, Marissa (Saint Clair County); (D) 21233 W. Laraway Road, Joliet (Will County); (E) 601 Madison Street, East Saint Louis (Saint Clair County); (F) 18370 N. Somonauk Road, DeKalb (DeKalb County); (G) 890 East 1500 North Road, Taylorville (Christian

County); (H) 29755 S. Prairie View Drive, Wilmington (Will County); (I) 18762 Lincoln Road, Morrison (Whiteside County); (J) 8290 N. IL Route 251, Davis Junction (Ogle County); and (K) 1145 Bear Road, Decatur (Macon County); and (b) pay all or a portion, if any, of the costs of issuance of the Series 2023 Bonds, all as permitted by the Acts (collectively, the “*Financing Purposes*”); and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the “*Authority Documents*”):

(a) an Indenture (the “*Bond Indenture*”) between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the “*Bond Trustee*”), providing for the issuance thereunder of the Series 2023 Bonds and setting forth the terms and provisions applicable to the Series 2023 Bonds, including securing the Series 2023 Bonds by an assignment thereunder to the Bond Trustee of the Authority’s right, title and interest in and to the Trust Estate (as defined there) and certain of the Authority’s rights in and to the Loan Agreement (as hereinafter defined);

(b) a Loan Agreement (the “*Loan Agreement*”) between the Authority and the Corporation, under which the Authority will loan the proceeds of the Series 2023 Bonds to the Corporation, all as more fully described in the Loan Agreement; and

(c) an Underwriting Agreement (the “*Underwriting Agreement*”) among the Authority, the Corporation, Waste Management Holdings, Inc. (the “*Guarantor*”), and BofA Securities, Inc. (the “*Underwriter*”), as purchaser of the Series 2023 Bonds, providing for the sale by the Authority and the purchase by the Underwriter of the Series 2023 Bonds;

WHEREAS, in connection with the issuance of the Series 2023 Bonds, the following additional documents may be executed and delivered by parties other than the Authority (collectively, the “*Additional Transaction Documents*”):

(a) the Promissory Note (the “*Note*”) from the Borrower to the Authority and assigned to the Bond Trustee pursuant to the Agreement;

(b) a Guaranty Agreement (the “*Guaranty*”) among the Guarantor and the Bond Trustee, whereby the Guarantor will guarantee the payments on the Series 2023 Bonds and the payment obligations of the Corporation under the Agreement; and

(c) an Official Statement, substantially in the form of the draft Preliminary Official Statement (the “*Official Statement*”) previously provided to and on file with the Authority, relating to the offering of the Series 2023 Bonds;

WHEREAS, each of the Authority Documents shall conform to the requirements of the Authority (including the Authority’s Bond Program Handbook), except as expressly approved by the General Counsel or the Executive Director of the Authority; and

WHEREAS, to the extent that the requirements of the Authority (including the Authority’s Bond Program Handbook) are applicable to any of the Additional Transaction Documents executed and delivered in connection with the issuance of the Series 2023 Bonds, such Additional

Transaction Documents shall conform to such requirements, except as expressly approved by the General Counsel or the Executive Director of the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

Section 1. Findings. Based upon the representations of the Corporation, the Authority hereby makes the following findings and determinations with respect to the Corporation, the Series 2023 Bonds to be issued by the Authority and the facilities financed or refinanced with the proceeds of the Series 2023 Bonds:

(a) The Corporation is a corporation organized under the laws of the State of Delaware and is in good standing and qualified to do business in the State;

(b) The Corporation has properly filed with the Authority its request for assistance in providing funds to the Corporation and the funds will be used for the Financing Purposes, and the facilities financed or refinanced with the proceeds of the Series 2023 Bonds will be owned and operated by the Corporation or one of its wholly-owned subsidiaries;

(c) The Series 2023 Bonds are being issued for a valid public purpose in furtherance of the public purposes and in accordance with the provisions set forth in the Acts; and

(d) The Series 2023 Bonds may be issued pursuant to either of the Acts, with the final determination of same to be designated by the Executive Director of the Authority prior to the issuance of the Series 2023 Bonds.

Section 2. Series 2023 Bonds. In order to obtain the funds to loan to the Corporation to be used for the Financing Purposes, the Authority hereby authorizes the issuance of the Series 2023 Bonds. The Series 2023 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indenture in an aggregate principal amount not exceeding \$50,000,000, excluding original issue discount or premium, if any. The Series 2023 Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by the Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members of the Authority to serve in such offices on an acting or interim basis or otherwise authorized to act as provided by resolutions of the Authority (each an “*Authorized Officer*”), which approval shall be evidenced by such Authorized Officer’s execution and delivery of the Bond Indenture.

The Series 2023 Bonds shall mature not later than 40 years from the date of their issuance, may be subject to serial maturities or mandatory bond sinking fund redemption as provided in the Bond Indenture and shall bear interest at stated rates not exceeding 12.0% per annum. The Series 2023 Bonds shall be subject to redemption and be payable all as set forth in the Bond Indenture.

The Series 2023 Bonds shall be issued only as fully registered bonds without coupons. The Series 2023 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director (or any person duly appointed by the Members of the Authority to serve in such office on an acting or interim basis or otherwise

authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2023 Bonds shall be issued and sold by the Authority and purchased by the Underwriter at a purchase price of not less than 95.0% of the principal amount of the Series 2023 Bonds, excluding any original issue discount or premium, if any, plus accrued interest, if any. The Underwriter shall receive total underwriting compensation with respect to the sale of the Series 2023 Bonds, including underwriting discount, not in excess of 0.50% of the principal amount of the Series 2023 Bonds, excluding original issue discount or premium, if any, in connection with the sale of the Series 2023 Bonds. Compensation for the Underwriter does not include reimbursement of expenses, if any, of the Underwriter.

The Series 2023 Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Retained Rights (as defined in the Bond Indenture)). The Series 2023 Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2023 Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreement and other amounts available under the Bond Indenture and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to an Authorized Officer the power and duty to make final determinations as to the principal amount, number of series or subseries of Series 2023 Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, and the interest rates of each series of the Series 2023 Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by an Authorized Officer, and the delivery and use, of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document, if so required. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Series 2023 Bonds and the purchase thereof.

Section 4. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final forms as

are approved by, the Authorized Officer executing the Bond Indenture, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final forms of the Additional Transaction Documents or any changes or revisions therein from such forms of the Additional Transaction Documents.

Section 5. Distribution of the Preliminary Official Statement and Official Statement. The Authority does hereby approve the distribution of the Preliminary Official Statement and the Official Statement by the Underwriter in connection with the offering and sale of the Series 2023 Bonds. The Official Statement shall be substantially in the form of the draft Preliminary Official Statement provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer executing the Bond Indenture, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final form of the Official Statement.

Section 6. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax certificates or other agreements providing for the payment of the Series 2023 Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of Series 2023 Bonds) as may be necessary to carry out and comply with the provisions of this Resolution, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indenture.

Section 7. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 8. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

Resolution 2023-0912-CF05

RESOLUTION AUTHORIZING THE ISSUANCE OF AN AGRICULTURAL DEVELOPMENT REVENUE BOND IN THE AMOUNT SPECIFIED HEREIN BY THE ILLINOIS FINANCE AUTHORITY TO FINANCE THE ACQUISITION OF PROPERTY BY THE BORROWER.

WHEREAS, the Illinois Finance Authority (the “Authority”) is authorized, pursuant to the Illinois Finance Authority Act in general and Article 830 thereof specifically, 20 ILCS 3501/801-1 *et seq.* (the “Act”), to issue agricultural development revenue bonds to finance, among other things, (i) Agricultural Facilities, (ii) Agribusinesses and (iii) soil or water conservation projects or watershed areas (all as defined or provided for in the Act); and

WHEREAS, Trevor A. Fox (the “Borrower”), has submitted an application under the Authority’s Beginning Farmer Bond Program to finance the purchase of approximately 80 acres of farmland, located in Odell Township, Livingston County, Illinois (the “Project”); and

WHEREAS, pursuant to the Act, the Authority is willing to (i) issue an Agricultural Development Revenue Bond (Fox 2023-09-0001) in an aggregate principal amount not to exceed \$616,100.00 (the “Bond”) to finance the Project; (ii) having a maturity date not later than 30 years from the date of the closing date (as defined herein); and (iii) to enter into agreements with the Borrower and State Bank of Graymont (the “Lender”) upon terms which will produce revenues sufficient to promptly pay the principal of, premium, if any, and accrued interest on the Bond, all as set forth in the agreements hereinafter identified; and

WHEREAS, it is necessary to authorize the execution of a Loan Agreement (the “Loan Agreement”) by and between the Authority and the Borrower in substantially the form used by the Authority in previous transactions of this type, with such terms and provisions approved by the parties executing the Loan Agreement; the Loan Agreement shall be dated as of date on which the Loan Agreement is executed and delivered by the parties thereto (the “Closing Date”); pursuant to which Loan Agreement the Authority agrees to lend the Bond proceeds to the Borrower, and the Borrower agrees to pay the Authority or its assignee amounts sufficient to pay, when due, the principal of, premium, if any, and accrued interest on the Bond and to evidence such obligation by executing the Borrower’s Promissory Note to the Authority (the “Note”) in the principal amount of \$616,100.00 (the “Principal Amount”); and

WHEREAS, it is necessary to authorize the execution of a Lender Loan Agreement (the “Lender Loan Agreement”) by and between the Authority and the Lender in substantially the form used by the Authority in previous transactions of this type, with such terms and provisions approved by the parties executing the Lender Loan Agreement; the Lender Loan Agreement shall be dated as of the Closing Date; pursuant to which Lender Loan Agreement (i) the Authority agrees to sell the Bond to the Lender and assign certain of its rights and interests under the Loan Agreement and the Note to the Lender and (ii) the Lender agrees to purchase the Bond from the Authority;

NOW THEREFORE, BE IT RESOLVED, by the Members of the Illinois Finance Authority as follows:

Section 1. That the form, terms and provisions of the proposed Loan Agreement and Lender Loan Agreement be, and they are, in all respects, hereby approved; that the Chairperson, Vice Chairperson and the Executive Director (or any other person designated in writing by the Chairperson, Vice Chairperson or Executive Director (each an “Authorized Officer”); are each hereby authorized, empowered and directed to execute the Loan Agreement and the Lender Loan Agreement on behalf of the Authority, together with such changes as approved by the signatory in writing, and to cause these agreements to be delivered to the Borrower and the Lender, respectively; that the Secretary or any Assistant Secretary of the Authority is hereby authorized, empowered and directed to attest to the Loan Agreement and the Lender Loan Agreement on behalf of the Authority; and that from and after the execution and delivery of the Loan Agreement and the Lender Loan Agreement, the officials, agents and employees of the Authority are hereby authorized, empowered and directed to take all acts and to execute all documents necessary to carry out and comply with the provisions of the Loan Agreement and the Lender Loan Agreement as executed.

Section 2. That the assignment to the Lender of all amounts receivable by the Authority under the Loan Agreement and the Note is in all respects approved; provided, however, the Authority retains all unassigned rights, particularly rights to indemnification and costs to be paid by the Borrower under the Loan Agreement.

Section 3. That the Chairperson Vice Chairperson and the Executive Director are each hereby authorized, empowered and directed to cause the Bond to be prepared in the Principal Amount; that the Bond will be dated the date of issuance and will be expressed to mature, bear interest, pay a premium and be repaid as provided in the Bond and the Lender Loan Agreement. The Bond will be payable in such medium of payment and at such place, subject to such terms of redemption and containing such other terms and provisions as will be specified in the Loan Agreement and Lender Loan Agreement as executed and delivered.

Section 4. That the form, terms and provisions of the Bond be, and the same hereby are, in all respects approved; that the Bond in substantially the form used by the Authority in previous transactions of this type, with such terms and provisions approved by the parties executing the Bond; the Chairperson, Vice Chairperson and the Executive Director are each hereby authorized, empowered and directed to execute the Bond, either by manual or facsimile signature, on behalf of the Authority and to cause it to be delivered to the Lender as the initial purchaser of the Bond; that the Secretary or any Assistant Secretary of the Authority is hereby authorized, empowered and directed to attest to, either by manual or facsimile signature, the Bond on behalf of the Authority; and that from and after the execution and delivery of the Bond, the officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all acts and to execute all documents necessary to carry out and comply with the provisions of the Bond.

Section 5. That the Executive Director is hereby authorized, empowered and directed to issue and sell the Bond to the Lender in the Principal Amount as provided in the Lender Loan Agreement, at a price of 100% of the Principal Amount thereof.

Section 6. That all acts of the Executive Director and any other officer of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond and the financing of the Project be, and the same hereby are, in all respects, approved and confirmed.

Section 7. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions hereof.

Section 8. That this Resolution shall be in full force and effect upon its adoption by the Members of the Authority.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

RESOLUTION 2023-0912-CF06

RESOLUTION AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF NOT TO EXCEED \$250,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY TAXABLE PROPERTY ASSESSED CLEAN ENERGY REVENUE BONDS FOR PURCHASE BY CLEANDFUND, LLC OR ITS DESIGNATED TRANSFEREE.

WHEREAS, the Illinois Finance Authority (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act, as amended (20 ILCS 3501/801-1 *et seq.*) (the “Act”);

WHEREAS, the Authority is authorized pursuant to the Act in general and Article 825 thereof specifically, and further authorized in Section 35(a) of the Property Assessed Clean Energy Act (50 ILCS 50/5) (the “PACE Act”) to issue revenue bonds to finance, among other things, “PACE Projects” (as defined or provided for in the Act);

WHEREAS, pursuant to the PACE Act, governmental units (as defined in the PACE Act) may create a property assessed clean energy program (a “PACE Program”) within their respective jurisdictional boundaries known as a “PACE area” (as defined in the PACE Act, each a “PACE Area” hereunder), and may further delegate the administration of such PACE Program to a program administrator (a “Program Administrator”);

WHEREAS, pursuant to the PACE Act, a “record owner” (as defined in the PACE Act, and a “Record Owner” hereunder) of “property” (as defined in the PACE Act) within a PACE Area may apply to a governmental unit or its Program Administrator for funding to finance or refinance certain “energy projects” (as defined in the PACE Act, and “PACE Projects” as defined in the Act, which are hereafter defined as “Energy Projects”) and that the governmental unit may impose an assessment under a PACE Program pursuant to the terms of the recorded assessment contract (“Assessment Contract”) with the Record Owner of the property to be assessed;

WHEREAS, the Authority is authorized under the PACE Act to issue property assessed clean energy revenue bonds (“PACE Bonds”) or provide a warehouse fund, in each case to provide liquidity for the financing or refinancing of certain Energy Projects for Record Owners that have complied with the requirements of the PACE Act and the rules and guidelines of a PACE Program administered on behalf of or at the discretion of a governmental unit by a Program Administrator;

WHEREAS, CleanFund, LLC, a Delaware public benefit corporation (the “Capital Provider”) wishes to purchase PACE Bonds, or have such PACE Bonds purchased by its designated transferee, secured by Assessment Contracts related to one or more PACE Programs administered on behalf of or at the direction of one or more governmental units by the related Program Administrator;

WHEREAS, such PACE Bonds shall be issued pursuant to one or more Master Indentures (each a “Master Indenture”) among the Authority, the applicable Program Administrator (if required by the scope of duties of the Program Administrator under the applicable PACE Program), the Capital Provider, and a bank or other financial institution selected by the Capital Provider or the applicable Program Administrator to serve as bond trustee (a “Bond Trustee”), setting out the parameters, terms and conditions pursuant to which a series of PACE Bonds may be issued pursuant to an Issuance Certificate (an “Issuance Certificate”) among the Authority, the applicable Program Administrator (if required as aforesaid), the Capital Provider, the applicable Bond Trustee, and an applicable servicer (if any); and

WHEREAS, PACE Bonds shall be secured by certain related Assessment Contracts assigned to the Authority by the applicable governmental unit (acting at the direction of the applicable Program Administrator or the Capital Provider) pursuant to an Assignment Agreement (an “Assignment Agreement” and together with the applicable Master Indenture and the related Issuance Certificate, the “PACE Bond Documents”), executed by the Authority and the applicable governmental unit.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

Section 1. Bonds. In order to obtain the funds to loan to certain Record Owners party to Assessment Contracts to be used for the purposes of financing or refinancing Energy Projects, the Authority hereby authorizes the issuance of PACE Bonds subject to the terms and conditions set forth in one or more Master Indentures and the related Issuance Certificate(s) in substantially the form attached to such Master Indenture, along with the execution and delivery of Master Indentures and related Issuance Certificates in substantially the forms previously provided to and on file with the Authority, and with such changes as are permitted by Section 2 hereof. PACE Bonds shall be issued, executed and delivered under and secured by applicable Assessment Contracts (“Assigned Contracts”) assigned to the Authority pursuant to one or more Assignment Agreements, and shall have the terms and provisions set forth in the applicable Master Indenture and an applicable Issuance Certificate, subject to the following limitations:

- (a) the aggregate principal amount of PACE Bonds that may be issued pursuant to one or more Master Indentures and any related Issuance Certificates and purchased by the Capital Provider as “Initial Purchaser” (as defined in the applicable Master Indenture) or its “Designated Transferee” (as defined and identified and identified in any related Issuance Certificate) collectively, the “PACE Bond Purchaser”) shall not exceed \$250,000,000;
- (b) the PACE Bonds for sale to the PACE Bond Purchaser may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by an Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of a Master Indenture and applicable Issuance Certificate;
- (c) no PACE Bonds for sale to the PACE Bond Purchaser shall have a maturity later than 40 years from the date of their issuance or such shorter period set forth in the applicable Master Indenture securing such PACE Bonds, provided the PACE Bonds may be subject to serial maturities or mandatory bond sinking fund redemptions as provided in the applicable Master Indenture and applicable Issuance Certificate pursuant to which PACE Bonds are issued;
- (d) no PACE Bonds for sale to the PACE Bond Purchaser shall bear interest at stated rates exceeding 20.00% per annum;
- (e) no PACE Bonds for sale to the PACE Bond Purchaser shall be issued pursuant to a Master Indenture and a related Issuance Certificate after the date that is three (3) years after the date of approval of this Resolution without further authorization to act as provided by one or more resolutions of the Authority;
- (f) PACE Bonds for sale to the PACE Bond Purchaser shall be subject to optional, mandatory and extraordinary redemption and be payable all as set forth in the applicable Master Indenture and the applicable Issuance Certificate;
- (g) PACE Bonds for sale to the PACE Bond Purchaser shall be issued only as fully registered bonds

without coupons;

- (h) PACE Bonds for sale to the PACE Bond Purchaser shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon; and
- (i) PACE Bonds for sale to the PACE Bond Purchaser shall be issued by the Authority for the consideration set forth in the applicable Master Indenture and applicable Issuance Certificate at par value.

Any PACE Bonds for sale to the PACE Bond Purchaser issued pursuant to a Master Indenture and any applicable Issuance Certificate and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Assigned Contracts and certain amounts on deposit with the applicable Bond Trustee under the applicable Master Indenture. PACE Bonds for sale to the PACE Bond Purchaser issued pursuant to a Master Indenture and any applicable Issuance Certificate and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of such PACE Bonds, (ii) the income and revenues derived by the Authority pursuant to Assigned Contracts and other amounts available under the applicable Master Indenture and any applicable Issuance Certificate and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson, Vice Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the PACE Bonds to be issued and sold to the PACE Bond Purchaser, including but not limited to, the principal amount, number of series or subseries of such PACE Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, and the interest rates of each series or subseries of such PACE Bonds, each series or subseries of which may be issued or sold on separate dates pursuant to separate Master Indentures and related Issuance Certificates, and further to issue, execute and deliver such PACE Bonds pursuant to a Master Indenture and related Issuance Certificate, all within the parameters set forth herein.

Section 2. PACE Bond Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis (each an “*Authorized Officer*”), and the delivery and use, of the PACE Bond Documents and any amendments, supplements, modifications and waivers with respect to the Assigned Contracts (together with the PACE Bond Documents, the “PACE Program Documents”). The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any PACE Program Document. The definitive PACE Program Documents shall be substantially in the forms previously provided to and on file with the Authority, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution and delivery to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such forms of the PACE Program Documents and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the terms of any PACE Bonds issued pursuant to the PACE Program Documents and the purchase thereof.

Section 3. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more supplemental bond indentures, escrow agreements, servicing agreements, or other agreements providing for the security and/or payment of the PACE Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of PACE Bonds) as may be necessary to carry out and comply with the provisions of these resolutions, the PACE Program Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the PACE Program Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the PACE Program Documents.

Section 4. Severability. The provisions of this PACE Bond Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this PACE Bond Resolution.

Section 5. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. Effectiveness. This PACE Bond Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

RESOLUTION 2023-0912-CF07

RESOLUTION AUTHORIZING AND APPROVING AMENDMENTS TO THE LOAN AGREEMENTS RELATING TO THE CERTAIN BONDS PREVIOUSLY ISSUED FOR THE BENEFIT OF ROOSEVELT UNIVERSITY.

WHEREAS, the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the “*Authority*”), has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as amended (the “*Act*”); and

WHEREAS, the Authority has previously issued its:

(i) Illinois Finance Authority Revenue Bonds, Series 2018A (Roosevelt University) in the original aggregate principal amount of \$8,835,000 (the “*Series 2018A Bonds*”) pursuant to the Bond Trust Indenture dated as of September 1, 2018, as supplemented and amended (the “*Series 2018A Bond Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “*Bond Trustee*”), the proceeds of which were loaned to Roosevelt University, an Illinois not for profit corporation (the “*University*”), pursuant to the Loan Agreement dated as of September 1, 2018 (the “*Original Series 2018A Loan Agreement*”) between the Authority and the University;

(ii) Illinois Finance Authority Revenue Bonds, Series 2018B (Roosevelt University) in the original aggregate principal amount of \$68,675,000 (the “*Series 2018B Bonds*”) pursuant to the Bond Trust Indenture dated as of November 1, 2018, as supplemented and amended (the “*Series 2018B Bond Indenture*”), between the Authority and the Bond Trustee, the proceeds of which were loaned to the University pursuant to the Loan Agreement dated as of November 1, 2018 (the “*Original Series 2018B Loan Agreement*”) between the Authority and the University;

(iii) Illinois Finance Authority Revenue Bonds, Series 2019A (Roosevelt University) in the original aggregate principal amount of \$117,830,000 (the “*Series 2019A Bonds*”) pursuant to the Bond Trust Indenture dated as of July 1, 2019, as supplemented and amended (the “*Series 2019A Bond Indenture*”), between the Authority and the Bond Trustee, the proceeds of which were loaned to the University pursuant to the Loan Agreement dated as of July 1, 2019 (the “*Original Series 2019A Loan Agreement*”) between the Authority and the University;

(iv) Illinois Finance Authority Revenue Bonds, Series 2020A (Roosevelt University) in the maximum aggregate principal amount of \$10,000,000 (the “*Series 2020A Bonds*”) pursuant to the Bond Trust Indenture dated as of March 1, 2020, as supplemented and amended (the “*Series 2020A Bond Indenture*”), between the Authority and the Bond Trustee, the proceeds of which were loaned to the University pursuant to the Loan

Agreement dated as of March 1, 2020 (the “*Original Series 2020A Loan Agreement*”) between the Authority and the University; and

(v) Illinois Finance Authority Taxable Revenue Bonds, Series 2020B (Roosevelt University) in the maximum aggregate principal amount of \$2,000,000 (the “*Series 2020B Bonds*” and, together with the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A Bonds and the Series 2020A Bonds, the “*Bonds*”) pursuant to the Bond Trust Indenture dated as of March 1, 2020, as supplemented and amended (the “*Series 2020B Bond Indenture*” and together with Series 2018A Bond Indenture, the Series 2018B Bond Indenture, the Series 2019A Bonds Indenture and the Series 2020A Bond Indenture, the “*Bond Indentures*”), between the Authority and the Bond Trustee, the proceeds of which were loaned to the University pursuant to the Loan Agreement dated as of March 1, 2020 (the “*Original Series 2020B Loan Agreement*” and together with the Original Series 2018A Loan Agreement, the Original Series 2018B Loan Agreement, the Original Series 2019A Loan Agreement and the Original Series 2020A Loan Agreement, the “*Original Loan Agreements*”) between the Authority and the University; and

WHEREAS, the University desires to amend the Original Loan Agreements to modify the Minimum UCI Consultant Requirement (as defined in each Original Loan Agreement) (the “*Amendments*”); and

WHEREAS, Section 11.01 of each of the Original Loan Agreements provides that the University and the Authority, with the consent of the Bond Trustee, may from time to time enter into supplements and amendments to the Loan Agreement; and

WHEREAS, Section 1002 of each of the Bond Indentures provides that neither the Authority nor the Bond Trustee shall consent to certain amendments, changes or modifications of the Loan Agreement as described therein without the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds which are outstanding at the time of execution of any such amendment, change or modification; and

WHEREAS, Section 1401(b) of each of the Bond Indentures further provides that the Bond Owner Representative shall be the sole representative of the owners of the applicable series of Bonds to give any consents, authorizations or approvals thereunder, exercise any rights or direct remedies thereunder or take any other action as may be taken by the owners of the applicable series of Bonds under the related Bond Indenture; and

WHEREAS, in connection with the requested approval of the Amendments, amendments to the Original Loan Agreements (the “*First Amendments to Loan Agreements*”) will be prepared along with any additional documents necessary or appropriate in order to implement the Amendments described herein (the “*Amendment Instruments*”), and will be executed and delivered by the Authority in order to evidence the Authority’s approval of the Amendments; and

WHEREAS, Preston Hollow Capital, LLC (“*PHC*”) will certify under the Amendment Instruments that it remains the Bond Owner Representative pursuant to the Bond Indentures and will consent to the Amendments on behalf of the owners of the Bonds; and

WHEREAS, the University will represent and certify under the Amendment Instruments that it is not in default under the Loan Agreements and will consent to the Amendments by executing the Amendment Instruments; and

WHEREAS, a draft of the First Amendments to Loan Agreements describing the Amendments has been previously provided to the Authority and is on file with the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Illinois Finance Authority as follows:

Section 1. Approval of Amendments. The Authority does hereby approve the Amendments. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by the Chairperson, Vice Chairperson, Executive Director, General Counsel, or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis or otherwise authorized to act as provided by resolutions of the Authority (each an “*Authorized Officer*”) and the delivery and use of the Amendment Instruments. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest, and may affix the official seal of the Authority to the Amendment Instruments. The Amendment Instruments shall be substantially in the form of the Amendment Instruments approved by the Authorized Officer of the Authority executing the Amendment Instruments (including the forms of the First Amendments to Loan Agreements previously provided to and on file with the Authority with such changes therein as shall be approved by the Authorized Officer executing the First Amendments to Loan Agreements), with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the Amendment Instruments.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in any document executed, approved or accepted pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to take such action, by any two Members of the Authority, each of whom is hereby authorized, empowered and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable document.

Section 3. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Section 6. Continued Effectiveness of the Prior Approving Resolution. This resolution shall be and is intended to be in all cases a ratification of the authority granted under (i) Resolution No. 2018-0911-TE02, approving the original issuance of the Series 2018A Bonds, Series 2018B Bonds and the Series 2019A Bonds; and (ii) Resolution No. 2020-0114-CF02, approving the original issuance of the Series 2020A Bonds and Series 2020B Bonds, as previously amended under Resolution No. 2020-0310-CF06 and Resolution No. 2022-0510-CF06 (collectively, the “*Prior Approving Resolution*”). Notwithstanding anything set forth herein, the Prior Approving Resolution shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

RESOLUTION 2023-0912-DA08

RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER FINANCIAL AID IN AN AMOUNT NOT-TO-EXCEED \$10,000,000 RELATED TO THE DEVELOPMENT OF A PROJECT UNDER THE ILLINOIS FINANCE AUTHORITY ACT AND THE REIMAGINING ENERGY AND VEHICLES IN ILLINOIS ACT AND RATIFYING AND APPROVING CERTAIN MATTERS RELATED THERETO

WHEREAS, the Illinois Finance Authority (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act, 20 ILCS 3501 *et seq.*, as amended (the “Act”); and

WHEREAS, the State of Illinois (the “State”) enacted the Reimagining Energy and Vehicles in Illinois Act, 20 ILCS 686/1 *et seq.*, as amended (the “REV Act”), which provides for the award of tax credits to businesses that will support the development and growth of electric vehicles and other products essential to the growth of the renewable energy sector in Illinois, specifically manufacturers of electric vehicles, electric vehicle components parts manufacturers, electric vehicle power supply equipment manufacturers, battery recycling and reuse manufacturers, battery raw materials refining service providers, and renewable energy manufacturers; and

WHEREAS, the State enacted the Climate and Equitable Jobs Act, Public Act 102-0662 (“CEJA”), which, among other provisions, declared that addressing climate change and the development and implementation of clean energy technologies to be priorities of the State; and

WHEREAS, Gotion, Inc. (“Gotion”), a lithium-ion battery cell, module, pack production, and energy storage system integration manufacturer, desires to locate a manufacturing facility at or near 333 South Spruce Street in Manteno, Illinois (the “Project”); and

WHEREAS, the Office of the Governor of Illinois (the “Governor’s Office”) and the Illinois Department of Commerce and Economic Opportunity (“DCEO”) have identified the development of the Project as an important element in advancing the State’s objectives with respect to both the development and growth of the electric vehicle manufacturing industry and addressing climate change; and

WHEREAS, the State, through DCEO, has entered into a Grant Agreement (a redacted copy of which is attached hereto as Attachment A) pursuant to the Invest in Illinois Act, 30 ILCS 751/1 *et seq.*, and a REV Tax Credit Agreement (a redacted copy of which is attached hereto as Attachment B) pursuant to the REV Act, each with Gotion, in order to provide financial support for the Project; and

WHEREAS, the Governor’s Office and DCEO have engaged in discussions with the Authority to request the Authority’s support for the financing of the Project; and

WHEREAS, Section 801-40(i) of the Act authorizes the Authority to make loans in connection with the financing of “clean energy projects” and “industrial projects”) (as such terms

are defined by the Act), and further authorizes the Authority to enter into loan agreements setting forth the terms and conditions of any such loan; and

WHEREAS, the Authority desires to authorize the making of a loan to Gotion to support the development and construction of the Project, and to authorize and approve the execution and delivery of a loan agreement and any other necessary and appropriate documentation to effect all of the foregoing:

NOW THEREFORE, Be it Resolved by the Members of the Illinois Finance Authority, as follows:

Section 1. Approval of Loan to Gotion. The Authority hereby authorizes and approves a loan of up to \$10,000,000 to Gotion, which loan may be made in one or more tranches, to provide funds for the development and construction of the Project. The Authority further authorizes and approves a loan agreement (the “Loan Agreement”) specifying the various terms and conditions for this loan. The terms and conditions of the Loan Agreement shall include: the amount of the loan; interest rate on the loan; the period or duration of the loan; the payment interval of frequency of repayment of the loan; the funds of the Authority that will be used to provide the loan, including the Authority’s General Fund; sources from which the loan will be repaid; and such other terms as the Authority and Gotion believe to be mutually beneficial and appropriate, provided that such terms are consistent with the requirements of applicable law; and the Executive Director (and, for purposes of this Resolution, any person duly appointed to such office on an acting or interim basis or otherwise authorized to act as provided by resolutions of the Authority) of the Authority is hereby delegated the authority to negotiate and determine such terms and conditions. Each of the Chairman, Vice Chairman, Executive Director, or General Counsel (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or interim basis or otherwise authorized to act as provided by resolutions of the Authority) of the Authority (each, an “Authorized Officer”) shall be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority shall be and each of them is authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Loan Agreement, for and on behalf of the Authority, the execution thereof to constitute conclusive evidence of the Authority’s approval of the Loan Agreement; that when the Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority, it shall be binding on the Authority; and that from and after the execution and delivery thereof, the officers, employees and agents of the Authority are also authorized, empowered and directed to do all such acts and things and execute all such documents as may be necessary or appropriate to carry out and comply with the Loan Agreement or otherwise to comply with the intent and purposes of this Resolution; and the Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 2. Other Acts. All acts of the officers, employees and agents of the Authority that are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 3. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall be for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 4. No Conflict. All resolutions or orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

[Remainder of this page intentionally left blank]

Approved and effective this 12th day of September, 2023, by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

ATTACHMENT A

**Grant Agreement between the State of Illinois, Department of Commerce and Economic
Opportunity and Gotion, Inc.**

[Attached]



**GRANT AGREEMENT
BETWEEN
THE STATE OF ILLINOIS, DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
AND
Gotion, Inc.**

The parties to this Grant Agreement (Agreement) are the State of Illinois (State), acting through the undersigned agency (Grantor) and Gotion, Inc. (Grantee) (collectively, the "Parties" and individually, a "Party"). The Agreement, consisting of the signature page, the parts listed below, and any additional exhibits or attachments referenced in this Agreement, constitute the entire agreement between the Parties. No promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, are binding upon either Grantee or Grantor.

PART ONE – The Uniform Terms

Article I	Definitions
Article II	Award Information
Article III	Grantee Certifications and Representations
Article IV	Payment Requirements
Article V	Scope of Award Activities/Purpose of Award
Article VI	Budget
Article VII	Allowable Costs
Article VIII	Lobbying
Article IX	Maintenance and Accessibility of Records; Monitoring
Article X	Financial Reporting Requirements
Article XI	Performance Reporting Requirements
Article XII	Audit Requirements
Article XIII	Termination; Suspension; Non-compliance
Article XIV	Subcontracts/Subawards
Article XV	Notice of Change
Article XVI	Structural Reorganization and Reconstitution of Board Membership
Article XVII	Conflict of Interest
Article XVIII	Equipment or Property
Article XIX	Promotional Materials; Prior Notification
Article XX	Insurance
Article XXI	Lawsuits and Indemnification
Article XXII	Miscellaneous
Exhibit A	Project Description
Exhibit B	Deliverables or Milestones
Exhibit C	Contact Information
Exhibit D	Performance Measures and Standards
Exhibit E	Specific Conditions

PART TWO – Grantor-Specific Terms

PART THREE – Project-Specific Terms

The Parties or their duly authorized representatives hereby execute this Agreement.

ILLINOIS DEPARTMENT OF COMMERCE AND
ECONOMIC OPPORTUNITY

GOTION, INC.

[Redacted Signature]

[Redacted Signature]

[Redacted Signature]

By: _____
Signature of Second Grantor Approver, if applicable

Date: _____

Printed Name: _____

Printed Title: _____
Second Grantor Approver

By: _____
Signature of Second Grantee Approver, if applicable

Date: _____

Printed Name: _____

Printed Title: _____
Second Grantee Approver
(optional at Grantee’s discretion)

By: _____
Signature of Third Grantor Approver, if applicable

Date: _____

Printed Name: _____

Printed Title: _____
Third Grantor Approver

PART ONE – THE UNIFORM TERMS**ARTICLE I
DEFINITIONS**

1.1. Definitions. Capitalized words and phrases used in this Agreement have the meanings stated in 2 CFR 200.1 unless otherwise stated below.

“Allowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Award” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Budget” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Catalog of State Financial Assistance” or “CSFA” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Close-out Report” means a report from the Grantee allowing Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

“Conflict of Interest” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Cooperative Research and Development Agreement” has the same meaning as in 15 USC 3710a.

“Direct Costs” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Financial Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“GATU” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Grant Agreement” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Grant Funds” means the Financial Assistance made available to Grantee through this Agreement.

“Grantee Portal” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Indirect Costs” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Indirect Cost Rate” means a device for determining in a reasonable manner the proportion of Indirect Costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

“Indirect Cost Rate Proposal” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Obligations” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Period of Performance” has the same meaning as in 44 Ill. Admin. Code 7000.30.

“Prior Approval” has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Profit" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Profit" is synonymous with the term "net revenue."

"Program" means the services to be provided pursuant to this Agreement. "Program" is used interchangeably with "Project."

"Program Costs" means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

"SAM" means the federal System for Award Management (SAM), the federal repository into which an entity must provide information required for the conduct of business as a recipient.

"State Grantee Compliance Enforcement System" means the statewide framework for State agencies to manage occurrences of non-compliance with Award requirements.

"State-issued Award" means the assistance that a grantee receives directly from a State agency. The funding source of the State-issued Award can be federal pass-through, State or a combination thereof. "State-issued Award" does not include the following:

- contracts issued pursuant to the Illinois Procurement Code that a State agency uses to buy goods or services from a contractor or a contract to operate State government-owned, contractor-operated facilities;
- agreements that meet the definition of "contract" under 2 CFR 200.1 and 2 CFR 200.331, which a State agency uses to procure goods or services but are exempt from the Illinois Procurement Code due to an exemption listed under 30 ILCS 500/1-10, or pursuant to a disaster proclamation, executive order, or any other exemption permitted by law;
- amounts received for services rendered to an individual;
- Cooperative Research and Development Agreements;
- an agreement that provides only direct cash assistance to an individual;
- a subsidy;
- a loan;
- a loan guarantee; or
- insurance.

"Illinois Stop Payment List" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Unallowable Cost" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Unique Entity Identifier" or "UEI" has the same meaning as in 44 Ill. Admin. Code 7000.30.

ARTICLE II AWARD INFORMATION

2.1. Term. This Agreement is effective on **07/01/2023** and expires on **10/01/2048** (the Term), unless terminated pursuant to this Agreement.

2.2. Amount of Agreement. Grant Funds must not exceed **\$125,000,000.00**, of which **\$0.00** are federal funds. Grantee accepts Grantor's payment as specified in this ARTICLE.

2.3. Payment. Payment will be made as follows (see additional payment requirements in ARTICLE IV; additional payment provisions specific to this Award may be included in **PART TWO** or **PART THREE**):

The Award amount listed in Paragraph 2.2 is not a guarantee of payment, and Grantee’s receipt of Grant Funds is contingent upon all terms and conditions of this Agreement.

Variable Advance/Remainder based on cash needs/reimbursement (Not to Exceed 100% Advance)
The Grantor shall authorize an initial disbursement in an amount sufficient to address the Grantee’s immediate cash needs according to their reported and Grantor approved obligations. Thereafter, the payments may be made for the dual purpose of reimbursing for expenditures incurred as well as documented cash needs of the Grantee as approved by the Grantor.

2.4. Award Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is **N/A**, the federal awarding agency is **N/A**, and the Federal Award date is **N/A**. If applicable, the Assistance Listing Program Title is **N/A** and Assistance Listing Number is **N/A**. The Catalog of State Financial Assistance (CSFA) Number is 420-00-3211 and the CSFA Name is Invest in Illinois-Closing Fund. If applicable, the State Award Identification Number (SAIN) is 3211 44216.

ARTICLE III
GRANTEE CERTIFICATIONS AND REPRESENTATIONS

3.1. Registration Certification. Grantee certifies that: (i) it is registered with SAM and **EKWPJTF2FM43** is Grantee’s correct UEI; (ii) it is in good standing with the Illinois Secretary of State, if applicable; and (iii) Grantee has successfully completed the annual registration and prequalification through the Grantee Portal.

Grantee must remain current with these registrations and requirements. If Grantee’s status with regard to any of these requirements changes, or the certifications made in and information provided in the uniform grant application changes, Grantee must notify Grantor in accordance with ARTICLE XV.

3.2. Tax Identification Certification. Grantee certifies that: **465177675** is Grantee’s correct federal employer identification number (FEIN) or Social Security Number. Grantee further certifies, if applicable: (a) that Grantee is not subject to backup withholding because (i) Grantee is exempt from backup withholding, or (ii) Grantee has not been notified by the Internal Revenue Service (IRS) that Grantee is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Grantee that Grantee is no longer subject to backup withholding; and (b) Grantee is a U.S. citizen or other U.S. person. Grantee is doing business as a (check one):

<input type="checkbox"/> Individual	<input type="checkbox"/> Pharmacy-Non Corporate
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Pharmacy/Funeral Home/Cemetery Corp.
<input type="checkbox"/> Partnership	<input type="checkbox"/> Tax Exempt
<input checked="" type="checkbox"/> Corporation (includes Not For Profit)	<input type="checkbox"/> Limited Liability Company (select applicable tax classification)
<input type="checkbox"/> Medical Corporation	<input type="checkbox"/> P = partnership
<input type="checkbox"/> Governmental Unit	<input type="checkbox"/> C = corporation
<input type="checkbox"/> Estate or Trust	

If Grantee has not received a payment from the State of Illinois in the last two years, Grantee must submit a W-9 tax form with this Agreement.

3.3. Compliance with Uniform Grant Rules. Grantee certifies that it must adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which are published in Title 2, Part 200 of the Code of Federal Regulations (2 CFR Part 200) and are incorporated herein by reference. 44 Ill. Admin. Code 7000.40(c)(1)(A). The requirements of 2 CFR Part 200 apply to the Grant Funds

awarded through this Agreement, regardless of whether the original source of the funds is State or federal, unless an exception is noted in federal or State statutes or regulations. 30 ILCS 708/5(b).

3.4. **Representations and Use of Funds.** Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement must be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions will be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

3.5. **Specific Certifications.** Grantee is responsible for compliance with the enumerated certifications in this Paragraph to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record.

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 2012 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt.

(d) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or will participate in an international boycott in violation of the provision of the Anti-Boycott Act of 2018, Part II of the Export Control Reform Act of 2018 (50 USC 4841 through 4843), and the anti-boycott provisions set forth in Part 760 of the federal Export Administration Regulations (15 CFR Parts 730 through 774).

(e) **Discriminatory Club Dues or Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses employees or agents for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/2).

(f) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18) (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(g) **Drug-Free Workplace.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than \$5,000, Grantee certifies it will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that if it is a recipient of federal pass-through funds, it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8103.

(h) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 et seq.).

(i) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 USC 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 USC 1251 et seq.).

(j) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment or permanent inclusion on the Illinois Stop Payment List, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency (2 CFR 200.205(a)), or by the State (30 ILCS 708/25(6)(G)).

(k) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(l) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7), in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee must maintain, for a minimum of six (6) years, all protected health information.

(m) **Criminal Convictions.** Grantee certifies that:

(i) Neither it nor a managerial agent of Grantee (for non-governmental grantees only, this includes any officer, director or partner of Grantee) has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction; and

(ii) It must disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. Failure to disclose may result in remedial actions as stated in the Grant Accountability and Transparency Act. 30 ILCS 708/40. Additionally, if Grantee receives over \$10 million in total federal Financial Assistance, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix XII of 2 CFR Part 200, and 30 ILCS 708/40.

(n) **Federal Funding Accountability and Transparency Act of 2006 (FFATA).** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101 with respect to Federal Awards greater than or equal to \$30,000. A FFATA subaward report must be filed by the end of the month following the month in which the award was made.

(o) **Illinois Works Review Panel.** For Awards made for public works projects, as defined in the Illinois Works Jobs Program Act, Grantee certifies that it and any contractor(s) or subcontractor(s) that performs work using funds from this Award, must, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel. 30 ILCS 559/20-25(d).

(p) **Anti-Discrimination.** Grantee certifies that its employees and subcontractors under subcontract made pursuant to this Agreement, must comply with all applicable provisions of State and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to: Illinois Human Rights Act (775 ILCS 5/1-101 et seq.), including, without limitation, 44 Ill. Admin. Code 750- Appendix A, which is incorporated herein; Public Works Employment Discrimination Act (775 ILCS 10/1 et seq.); Civil Rights Act of 1964 (as amended) (42 USC 2000a - 2000h-6); Section 504 of the Rehabilitation Act of 1973 (29 USC 794); Americans with Disabilities Act of 1990 (as amended) (42 USC 12101 et seq.); and the Age Discrimination Act of 1975 (42 USC 6101 et seq.).

(q) Internal Revenue Code and Illinois Income Tax Act. Grantee certifies that it complies with all provisions of the federal Internal Revenue Code (26 USC 1), the Illinois Income Tax Act (35 ILCS 5), and all regulations and rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

ARTICLE IV PAYMENT REQUIREMENTS

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to Grantor by the State or the federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor must provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Paragraph will be effective upon the date of the written notice unless otherwise indicated.

4.2. Pre-Award Costs. Pre-award costs are not permitted unless specifically authorized by Grantor in Exhibit A, PART TWO or PART THREE of this Agreement. If they are authorized, pre-award costs must be charged to the initial Budget Period of the Award, unless otherwise specified by Grantor. 2 CFR 200.458.

4.3. Return of Grant Funds. Grantee must liquidate all Obligations incurred under the Award within forty-five (45) days of the end of the Period of Performance, or in the case of capital improvement Awards, within forty-five (45) days of the end of the time period the Grant Funds are available for expenditure or obligation, unless Grantor permits a longer period in PART TWO OR PART THREE.

4.4. Cash Management Improvement Act of 1990. Unless notified otherwise in PART TWO or PART THREE, Grantee must manage federal funds received under this Agreement in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 et seq.) and any other applicable federal laws or regulations. 2 CFR 200.305; 44 Ill. Admin. Code 7000.120.

4.5. Payments to Third Parties. Grantor will have no liability to Grantee when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith when it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.6. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used Grant Funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to Grantor by the State or the federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under Exhibit A may be reduced accordingly. Grantor must pay Grantee for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.7. Interest.

(a) All interest earned on Grant Funds held by a Grantee will be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in **PART TWO** or **PART THREE**. Grantee must remit annually any amount due in accordance with 2 CFR 200.305(b)(9) or to Grantor, as applicable.

(b) Grant Funds must be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR 200.305(b)(8).

4.8. **Timely Billing Required.** Grantee must submit any payment request to Grantor within fifteen (15) days of the end of the quarter, unless another billing schedule is specified in ARTICLE II, **PART TWO**, or **PART THREE**. Failure to submit such payment request timely will render the amounts billed Unallowable Costs which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.9. **Certification.** Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee (or subrecipient) must contain the following certification by an official authorized to legally bind Grantee (or subrecipient):

By signing this report [or payment request or both], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any other expenditure described herein is considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812; 30 ILCS 708/120).

ARTICLE V SCOPE OF AWARD ACTIVITIES/PURPOSE OF AWARD

5.1. **Scope of Award Activities/Purpose of Award.** Grantee must perform as described in this Agreement, including as described in **Exhibit A** (Project Description), **Exhibit B** (Deliverables or Milestones), and **Exhibit D** (Performance Measures and Standards), as applicable. Grantee must further comply with all terms and conditions set forth in the Notice of State Award (44 Ill. Admin. Code 7000.360) which is incorporated herein by reference. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE** (Project-Specific Terms).

5.2. **Scope Revisions.** Grantee must obtain Prior Approval from Grantor whenever a scope revision is necessary for one or more of the reasons enumerated in 44 Ill. Admin. Code 7000.370(b)(2). All requests for scope revisions that require Grantor approval must be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

5.3. **Specific Conditions.** If applicable, specific conditions required after a risk assessment are included in **Exhibit E**. Grantee must adhere to the specific conditions listed therein. 44 Ill. Admin. Code 7000.340(e).

ARTICLE VI BUDGET

6.1. Budget. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein by reference.

6.2. Budget Revisions. Grantee must obtain Prior Approval, whether mandated or discretionary, from Grantor whenever a Budget revision, is necessary for one or more of the reasons enumerated in 44 Ill. Admin. Code 7000.370(b). All requests for Budget revisions that require Grantor approval must be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval.

6.3. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached. 44 Ill. Admin. Code 7000.370(b)(7).

ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement will be determined in accordance with 2 CFR Part 200 Subpart E and Appendices III, IV, V, and VII.

7.2. Indirect Cost Rate Submission.

(a) All grantees, except for Local Education Agencies (as defined in 34 CFR 77.1), must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs. 44 Ill. Admin. Code 7000.420(e).

(i) Waived and de minimis Indirect Cost Rate elections will remain in effect until Grantee elects a different option.

(b) Grantee must submit an Indirect Cost Rate Proposal in accordance with federal and State regulations, in a format prescribed by Grantor. For grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award. For grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of Grantee's fiscal year end, as dictated in the applicable appendices, such as:

(i) Appendix VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for state and Local Governments and Indian Tribes,

(ii) Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for public and private institutions of higher education,

(iii) Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and

(iv) Appendix V to 2 CFR Part 200 governs state/Local Governmentwide Central Service Cost Allocation Plans.

(c) A grantee who has a current, applicable rate negotiated by a cognizant federal agency must provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the federal government and a copy of all documentation regarding the allocation methodology for costs used to negotiate that rate, e.g., without limitation, the cost policy statement or disclosure narrative statement. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

(d) A grantee who does not have a current negotiated rate, may elect to charge a de minimis rate of 10% of Modified Total Direct Cost which may be used indefinitely. No documentation is required to justify the 10% de minimis Indirect Cost Rate. 2 CFR 200.414(f).

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. 2 CFR 200.451.

7.4. Commercial Organization Cost Principles. The federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.5. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally-funded Program. Accounting records must contain information pertaining to State and federal pass-through awards, authorizations, Obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 CFR 200.305(b)(7)(i) and 30 ILCS 708/97, Grantee must use reasonable efforts to ensure that funding streams are delineated within Grantee's accounting system. 2 CFR 200.302.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation must be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to Grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the Grantee's organization.

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO, PART THREE** or **Exhibit E** of the requirement to submit personnel activity reports. 2 CFR 200.430(i)(8). Personnel activity reports must account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the Award, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records must be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Award purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Grantee must maintain effective control and accountability for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. 2 CFR 200.303.

(d) **Budget Control.** Grantee must maintain records of expenditures for each Award by the cost categories of the approved Budget (including Indirect Costs that are charged to the Award), and actual expenditures are to be compared with budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment must be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.6. Profits. It is not permitted for any person or entity to earn a Profit from an Award. See, e.g., 2 CFR 200.400(g); see also 30 ILCS 708/60(a)(7).

7.7. Management of Program Income. Grantee is encouraged to earn income to defray Program Costs where appropriate, subject to 2 CFR 200.307.

ARTICLE VIII LOBBYING

8.1. Improper Influence. Grantee certifies that it will not use and has not used Grant Funds to influence or attempt to influence an officer or employee of any government agency or a member or employee of the State or federal legislature in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

8.2. Federal Form LLL. If any federal funds, other than federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

8.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs must be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

8.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its subrecipients have complied and will comply with Illinois Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

8.5. Subawards. Grantee must include the language of this ARTICLE in the award documents for any subawards made pursuant to this Award at all tiers. All subrecipients are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee must forward all disclosures by contractors regarding this certification to Grantor.

8.6. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications will be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

ARTICLE IX MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

9.1. Records Retention. Grantee must maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.334, unless a different retention period is specified in 2 CFR 200.334, 44 Ill. Admin. Code 7000.430(a) and (b) or **PART TWO** or **PART THREE**. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

9.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.337 and 44 Ill. Admin. Code 7000.430(f), must make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, Grantor's Inspector General, federal authorities, any person identified in 2 CFR 200.337, and any other person as may be authorized by Grantor (including auditors), by the State of Illinois or by federal statute. Grantee must cooperate fully in any such audit or inquiry.

9.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE, establishes a presumption in favor of the State for the recovery of any Grant Funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

9.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. Grantor will monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the Award. Grantee must timely submit all financial and performance reports, and must supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by Program needs. 2 CFR 200.329; 200.332. Additional monitoring requirements may be in **PART TWO** or **PART THREE**.

ARTICLE X FINANCIAL REPORTING REQUIREMENTS

10.1. Required Periodic Financial Reports. Grantee must submit financial reports as requested and in the format required by Grantor no later than the dues date(s) specified in **PART TWO** or **PART THREE**. Grantee must submit quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee due to the funding source or pursuant to specific award conditions. 2 CFR 200.208. Any report required by 30 ILCS 708/125 may be detailed in **PART TWO** or **PART THREE**.

10.2. Financial Close-out Report.

(a) Grantee must submit a financial Close-out Report, in the format required by Grantor, by the due date specified in **PART TWO** or **PART THREE**, which must be no later than sixty (60) calendar days following the end of the Period of Performance for this Agreement or Agreement termination. The format of this financial Close-out Report must follow a format prescribed by Grantor. 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b).

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee must submit a new financial Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.345; 44 Ill. Admin. Code 7000.450.

10.3. Effect of Failure to Comply. Failure to comply with the reporting requirements in this Agreement may cause a delay or suspension of funding or require the return of improper payments or Unallowable Costs, and will be considered a material breach of this Agreement. Grantee's failure to comply with ARTICLE X, ARTICLE XI, or ARTICLE XVII will be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding. Grantee should refer to the State Grantee Compliance Enforcement System for policy and consequences for failure to comply. 44 Ill. Admin. Code 7000.80.

ARTICLE XI PERFORMANCE REPORTING REQUIREMENTS

11.1. Required Periodic Performance Reports. Grantee must submit performance reports as requested and in the format required by Grantor no later than the due date(s) specified in **PART TWO** or **PART THREE**. 44 Ill. Admin. Code 7000.410. Grantee must report to Grantor on the performance measures listed in **Exhibit D**, **PART TWO** or **PART THREE** at the intervals specified by Grantor, which must be no less frequent than annually and no more frequent than quarterly, unless otherwise specified in **PART TWO**, **PART THREE**, or **Exhibit E** pursuant to specific award conditions. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.329.

11.2. Performance Close-out Report. Grantee must submit a performance Close-out Report, in the format required by Grantor by the due date specified in **PART TWO** or **PART THREE**, which must be no later than 60 calendar days following the end of the Period of Performance or Agreement termination. 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b).

11.3. Content of Performance Reports. Pursuant to 2 CFR 200.329(b) and (c), all performance reports must relate the financial data and accomplishments to the performance goals and objectives of this Award and also include the following: a comparison of actual accomplishments to the objectives of the Award established for the period; where the accomplishments can be quantified, a computation of the cost and demonstration of cost effective practices (e.g., through unit cost data); performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Additional content and format guidelines for the performance reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

ARTICLE XII AUDIT REQUIREMENTS

12.1. Audits. Grantee is subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507), Subpart F of 2 CFR Part 200, and the audit rules and policies set forth by the Governor's Office of Management and Budget. 30 ILCS 708/65(c); 44 Ill. Admin. Code 7000.90.

12.2. Consolidated Year-End Financial Reports (CYEFR). All grantees must complete and submit a CYEFR through the Grantee Portal, except those exempted by federal or State statute or regulation, as set forth in **PART TWO** or **PART THREE**. The CYEFR is a required schedule in Grantee's audit report if Grantee is required to complete and submit an audit report as set forth herein.

(a) Grantee's CYEFR must cover the same period as the audited financial statements, if required, and must be submitted in accordance with the audit schedule at 44 Ill. Admin. Code 7000.90. If Grantee is not required to complete audited financial statements, the CYEFR must cover Grantee's fiscal year and must be submitted within 6 months of the Grantee's fiscal year-end.

(b) The CYEFR must include an in relation to opinion from the auditor of the financial statements included in the audit.

(c) The CYEFR must follow a format prescribed by Grantor.

12.3. Entities That Are Not "For-Profit".

(a) This Paragraph applies to Grantees that are not "for-profit" entities.

(b) Single and Program-Specific Audits. If, during its fiscal year, Grantee expends \$750,000 or more in federal Awards (direct federal and federal pass-through awards combined), Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit report packet must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90(h)(1) and the current GATA audit manual and submitted to the Federal Audit Clearinghouse, as required by 2 CFR 200.512. The results of peer and external quality control reviews, management letters issued by the auditors and their respective corrective action plans if significant deficiencies or material weaknesses are identified, and the CYEFR(s) must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) thirty (30) calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of Grantee's audit period.

(c) Financial Statement Audit. If, during its fiscal year, Grantee expends less than \$750,000 in federal Awards, Grantee is subject to the following audit requirements:

(i) If, during its fiscal year, Grantee expends \$500,000 or more in State-issued Awards, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS). Grantee may be subject to additional requirements in **PART TWO**, **PART THREE** or **Exhibit E** based on Grantee's risk profile.

(ii) If, during its fiscal year, Grantee expends less than \$500,000 in State-issued Awards, but expends \$300,000 or more in State-issued Awards, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS).

(iii) If Grantee is a Local Education Agency (as defined in 34 CFR 77.1), Grantee must have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of State-issued Awards.

(iv) If Grantee does not meet the requirements in subsections 12.3(b) and 12.3(c)(i-iii) but is required to have a financial statement audit conducted based on other regulatory requirements, Grantee must submit those audits for review.

(v) Grantee must submit its financial statement audit report packet, as set forth in 44 Ill. Admin. Code 7000.90(h)(2) and the current GATA audit manual, to the Grantee Portal within the earlier of (i) thirty (30) calendar days after receipt of the auditor's report(s) or (ii) six (6) months after the end of Grantee's audit period.

12.4. "For-Profit" Entities.

(a) This Paragraph applies to Grantees that are "for-profit" entities.

(b) Program-Specific Audit. If, during its fiscal year, Grantee expends \$750,000 or more in federal pass-through funds from State-issued Awards, Grantee must have a program-specific audit conducted in accordance with 2 CFR 200.507. The auditor must audit federal pass-through programs with federal pass-through Awards expended that, in the aggregate, cover at least 50 percent (0.50) of total federal pass-through Awards expended. The audit report packet must be completed as described in 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90 and the current GATA audit manual, and

must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) thirty (30) calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of Grantee's audit period.

(c) **Financial Statement Audit.** If, during its fiscal year, Grantee expends less than \$750,000 in federal pass-through funds from State-issued Awards, Grantee must follow all of the audit requirements in Paragraphs 12.3(c)(i)-(v), above.

(d) **Publicly-Traded Entities.** If Grantee is a publicly-traded company, Grantee is not subject to the single audit or program-specific audit requirements, but must submit its annual audit conducted in accordance with its regulatory requirements.

12.5. **Performance of Audits.** For those organizations required to submit an independent audit report, the audit must be conducted by the Illinois Auditor General (as required for certain governmental entities only), or a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). For all audits required to be performed subject to GAGAS or Generally Accepted Auditing Standards, Grantee must request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter. Grantee must follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

12.6. **Delinquent Reports.** When audit reports or financial statements required under this ARTICLE are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they must be provided to Grantor within thirty (30) days of becoming available. Grantee should refer to the State Grantee Compliance Enforcement System for the policy and consequences for late reporting. 44 Ill. Admin. Code 7000.80.

ARTICLE XIII TERMINATION; SUSPENSION; NON-COMPLIANCE

13.1. Termination.

(a) Either Party may terminate this Agreement, in whole or in part, upon thirty (30) calendar days' prior written notice to the other Party.

(b) If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.340(a)(4).

(c) This Agreement may be terminated, in whole or in part, by Grantor:

(i) Pursuant to a funding failure under Paragraph 4.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Award; or

(iii) If the Award no longer effectuates the Program goals or agency priorities as set forth in **Exhibit A, PART TWO** or **PART THREE**.

13.2. **Suspension.** Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If

suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional Obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

13.3. Non-compliance. If Grantee fails to comply with the U.S. Constitution, applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.208. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.339. The Parties must follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State Grantee Compliance Enforcement System. 44 Ill. Admin. Code 7000.80 and 7000.260.

13.4. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee's non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State Grantee Compliance Enforcement System. 2 CFR 200.342; 44 Ill. Admin. Code 7000.80 and 7000.260.

13.5. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for allowable expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Except as set forth in subparagraph (c), below, Grantee must not incur any costs or Obligations that require the use of Grant Funds after the effective date of a suspension or termination, and must cancel as many outstanding Obligations as possible.

(c) Costs to Grantee resulting from Obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless Grantor expressly authorizes them in the notice of suspension or termination or subsequently. However, Grantor may allow costs during a suspension or after termination if:

(i) The costs result from Obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated prematurely. 2 CFR 200.343.

13.6. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties must comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.340(d).

ARTICLE XIV SUBCONTRACTS/SUBAWARDS

14.1. Subcontracting/Subrecipients/Delegation. Grantee must not subcontract nor issue a subaward for any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or subrecipient has been identified in the uniform grant application, such as, without limitation, a Project description, and Grantor has approved. Grantee must notify any potential subrecipient that the subrecipient must obtain and provide to the Grantee a Unique Entity Identifier prior to receiving a subaward. 2 CFR 25.300.

14.2. Application of Terms. If Grantee enters into a subaward agreement with a subrecipient, Grantee must notify the subrecipient of the applicable laws and regulations and terms and conditions of this Award by attaching this Agreement to the subaward agreement. The terms of this Agreement apply to all subawards authorized in accordance with Paragraph 14.1. 2 CFR 200.101(b)(2).

14.3. Liability as Guaranty. Grantee will be liable as guarantor for any Grant Funds it obligates to a subrecipient or subcontractor pursuant to this ARTICLE in the event Grantor determines the funds were either misspent or are being improperly held and the subrecipient or subcontractor is insolvent or otherwise fails to return the funds. 2 CFR 200.345; 30 ILCS 705/6; 44 Ill. Admin. Code 7000.450(a).

ARTICLE XV NOTICE OF CHANGE

15.1. Notice of Change. Grantee must notify Grantor if there is a change in Grantee's legal status, FEIN, UEI, SAM registration status, Related Parties, senior management (for non-governmental grantees only) or address. If the change is anticipated, Grantee must give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee must give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

15.2. Failure to Provide Notification. To the extent permitted by Illinois law (see Paragraph 21.2), Grantee must hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor as required by Paragraph 15.1.

15.3. Notice of Impact. Grantee must notify Grantor in writing of any event, including, by not limited to, becoming a party to litigation, an investigation, or transaction that may have a material impact on Grantee's ability to perform under this Agreement. Grantee must provide notice to Grantor as soon as possible, but no later than five (5) days after Grantee becomes aware that the event may have a material impact.

15.4. Effect of Failure to Provide Notice. Failure to provide the notice described in this ARTICLE is grounds for termination of this Agreement and any costs incurred after the date notice should have been given may be disallowed.

ARTICLE XVI STRUCTURAL REORGANIZATION AND RECONSTITUTION OF BOARD MEMBERSHIP

16.1. Effect of Reorganization. This Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. Grantor does not agree to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee must give Grantor prior notice of any such action or changes significantly affecting its overall structure or, for non-governmental grantees only, management makeup (for example, a merger or a corporate restructuring), and must provide all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. Grantor reserves the right to terminate the Agreement based on whether the newly organized entity is able to carry out the requirements of the Award. This ARTICLE does not require Grantee to report on minor changes in the makeup of its board membership or governance structure, as applicable. Nevertheless, **PART TWO** or **PART THREE** may impose further restrictions. Failure to comply with this ARTICLE constitutes a material breach of this Agreement.

ARTICLE XVII CONFLICT OF INTEREST

17.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to Grantor. 2 CFR 200.113; 30 ILCS 708/35.

17.2. Prohibited Payments. Payments made by Grantor under this Agreement must not be used by Grantee to compensate, directly or indirectly, any person currently holding an elective office in this State including, but not limited to, a seat in the General Assembly. In addition, where Grantee is not an instrumentality of the State of Illinois, as described in this Paragraph, Grantee must request permission from Grantor to compensate, directly or indirectly, any person employed by an office or agency of the State of Illinois. An instrumentality of the State of Illinois includes, without limitation, State departments, agencies, boards, and State universities. An instrumentality of the State of Illinois does not include, without limitation, units of Local Government and related entities.

17.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 17.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may grant an such exemption subject to additional terms and conditions as Grantor may require.

ARTICLE XVIII EQUIPMENT OR PROPERTY

18.1. Purchase of Equipment. For any equipment purchased in whole or in part with Grant Funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439, the costs for such equipment will be disallowed. Grantor must notify Grantee in writing that the purchase of equipment is disallowed.

18.2. Prohibition against Disposition/Encumbrance. Any equipment, material, or real property that Grantee purchases or improves with Grant Funds must not be sold, transferred, encumbered (other than original financing) or otherwise disposed of during the Award Term without Prior Approval of Grantor unless a longer period is required in **PART TWO** or **PART THREE** and permitted by 2 CFR Part 200 Subpart D. Use or disposition of real property acquired or improved using Grant Funds must comply with the requirements of 2 CFR 200.311. Real property, equipment, and intangible property that are acquired or improved in whole or in part using Grant Funds are subject to the provisions of 2 CFR 200.316. Grantor may require the Grantee to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with this Award and that use and disposition conditions apply to the property.

18.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property, the cost of which was supported by Grant Funds. Any waiver from such compliance must be granted by either the President’s Office of Management and Budget, the Governor’s Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 to establish procedures to use Grant Funds for the procurement of supplies and other expendable property, equipment, real property and other services.

18.4. Equipment Instructions. Grantee must obtain disposition instructions from Grantor when equipment, purchased in whole or in part with Grant Funds, is no longer needed for their original purpose. Notwithstanding anything to the contrary contained in this Agreement, Grantor may require transfer of any equipment to Grantor or a third party for any reason, including, without limitation, if Grantor terminates the Award or Grantee no longer conducts Award activities. Grantee must properly maintain, track, use, store and insure the equipment according to applicable best practices, manufacturer’s guidelines, federal and state laws or rules, and Grantor requirements stated herein.

18.5. Domestic Preferences for Procurements. In accordance with 2 CFR 200.322, as appropriate and to the extent consistent with law, Grantee must, to the greatest extent practicable under this Award, provide a

preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this Paragraph must be included in all subawards and in all contracts and purchase orders for work or products under this Award.

ARTICLE XIX PROMOTIONAL MATERIALS; PRIOR NOTIFICATION

19.1. Promotional and Written Materials. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grant Funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee must obtain Prior Approval for the use of those funds (2 CFR 200.467) and must include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the [Grantor]." 2 CFR 200.467. Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

19.2. Prior Notification/Release of Information. Grantee must notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and must cooperate with Grantor in joint or coordinated releases of information.

ARTICLE XX INSURANCE

20.1. Maintenance of Insurance. Grantee must maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.

20.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered must be surrendered to Grantor.

ARTICLE XXI LAWSUITS AND INDEMNIFICATION

21.1. Independent Contractor. Neither Grantee nor any employee or agent of Grantee acquires any employment rights with Grantor by virtue of this Agreement. Grantee must provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee must provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee's use of such equipment or supplies provided by Grantor pursuant to this Agreement is strictly limited to official Grantor or State of Illinois business and not for any other purpose, including any personal benefit or gain.

21.2. Indemnification and Liability.

(a) Non-governmental entities. This subparagraph applies only if Grantee is a non-governmental entity. Grantee must hold harmless Grantor against any and all liability, loss, damage, cost

or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Grantee, with the exception of acts performed in conformance with an explicit, written directive of Grantor. Indemnification by Grantor is governed by the State Employee Indemnification Act (5 ILCS 350/.01 et seq.) as interpreted by the Illinois Attorney General. Grantor makes no representation that Grantee, an independent contractor, will qualify or be eligible for indemnification under said Act.

(b) Governmental entities. This subparagraph applies only if Grantee is a governmental unit as designated in Paragraph 3.2. Neither Party shall be liable for actions chargeable to the other Party under this Agreement including, but not limited to, the negligent acts and omissions of the other Party's agents, employees or subcontractors in the performance of their duties as described under this Agreement, unless such liability is imposed by law. This Agreement is not construed as seeking to enlarge or diminish any obligation or duty owed by one Party against the other or against a third party.

ARTICLE XXII MISCELLANEOUS

22.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Illinois Executive Order 15-09.

22.2. Assignment Prohibited. This Agreement must not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing renders this Agreement null, void and of no further effect.

22.3. Copies of Agreements upon Request. Grantee must, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

22.4. Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

22.5. Severability. If any provision of this Agreement is declared invalid, its other provisions will remain in effect.

22.6. No Waiver. The failure of either Party to assert any right or remedy pursuant to this Agreement will not be construed as a waiver of either Party's right to assert such right or remedy at a later time or constitute a course of business upon which either Party may rely for the purpose of denial of such a right or remedy.

22.7. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, are governed and construed in accordance with the laws of the State of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 et seq. Grantor does not waive sovereign immunity by entering into this Agreement.

22.8. Compliance with Law. This Agreement and Grantee's Obligations and services hereunder must be performed in compliance with all applicable federal and State laws, including, without limitation, federal regulations, State administrative rules, including but not limited to 44 Ill. Admin. Code Part 7000, laws and rules which govern disclosure of confidential records or other information obtained by Grantee concerning persons served under this Agreement, and any license requirements or professional certification provisions.

22.9. Compliance with Freedom of Information Act. Upon request, Grantee must make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. 5 ILCS 140/7(2).

22.10. Precedence.

(a) Except as set forth in subparagraph (b), below, the following rules of precedence are controlling for this Agreement: In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement controls. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** controls. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** controls. In the event there is a conflict between this Agreement and relevant statute(s) or rule(s), the relevant statute(s) or rule(s) controls.

(b) Notwithstanding the provisions in subparagraph (a), above, if a relevant federal or state statute(s) or rule(s) requires an exception to this Agreement's provisions, or an exception to a requirement in this Agreement is granted by GATU, such exceptions must be noted in **PART TWO** or **PART THREE**, and in such cases, those requirements control.

22.11. Illinois Grant Funds Recovery Act. In the event of a conflict between the Illinois Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act control. 30 ILCS 708/80.

22.12. Headings. Articles and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

22.13. Counterparts. This Agreement may be executed in one or more counterparts, each of which are 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 (PDF) document are deemed original for all purposes.

22.14. Attorney Fees and Costs. Unless prohibited by law, if Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

22.15. Continuing Responsibilities. The termination or expiration of this Agreement does not affect: (a) the right of Grantor to disallow costs and recover funds based on a later audit or other review; (b) the obligation of the Grantee to return any funds due as a result of later refunds, corrections or other transactions, including, without limitation, final Indirect Cost Rate adjustments and those funds obligated pursuant to ARTICLE XIV; (c) the CYEFR(s); (d) audit requirements established in 44 Ill. Admin. Code 7000.90 and ARTICLE XII ; (e) property management and disposition requirements established in 2 CFR 200.310 through 2 CFR 200.316 and ARTICLE XVIII; or (f) records related requirements pursuant to ARTICLE IX. 44 Ill. Admin. Code 7000.440.

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EXHIBIT A**PROJECT DESCRIPTION**

Grantee must complete the Award Activities described on this **Exhibit A**, the Deliverables and Milestones listed on **Exhibit B** and the Performance Measures listed on **Exhibit D** within the term of this Agreement, as provided in Paragraph 2.1, herein.

AUTHORITY: The Grantor is authorized to make this Award pursuant to 30 ILCS 751.

The purpose of this authority is as follows:

The Grantor is authorized to make this Award pursuant to «30 ILCS 751/1 et. seq.

The purpose of this authority is as follows: To make non-competitive economic incentive awards to assist applicants that pledge to make capital investment and create or retain jobs in the State.

PROJECT DESCRIPTION:

This grant is made pursuant to the Invest in Illinois Act (the “Act”) (30 ILCS 751/1, *et. seq.*). The Act is designed to encourage and promote the retention and expansion of existing businesses and industry within the State and recruit and attract new businesses and industry to the State by providing businesses with ready access to the capital and incentives needed to stimulate economic activity and create new jobs.

Grantee will construct a lithium-ion battery cell, module, pack production and energy storage system integration facility at 333 South Spruce Street in Manteno, Illinois (the “Project”). The Project seeks to produce 10GWh Pack + 20GWh Cells by end of 2028 (Phase I) with an expansion to 10GWh Pack + 40GWh Cells (Phase II) by the end of 2034. On September 5, 2023, Grantee and the Department entered into tax incentive agreement pursuant to the Reimagining Energy and Vehicles Act, 20 ILCS 686/1 *et. seq.* (the “REV Illinois Agreement”). The funding provided by the Department to the Grantee under this Agreement is not to complete any specific portion of the Project. Rather, the funds are provided as an incentive to the Grantee to complete the Project, create new jobs, and invest in Illinois thereby providing economic stimulus to the State’s economy.

Phase I of the project will take place between the effective date of this Agreement and December 31, 2029. Phase II will take place between January 1, 2030 and December 31, 2034. This project supports the Governor’s Five-Year Economic Development Plan by fostering economic development, increasing employment, and addressing the wellbeing of Illinois citizens through economic development.

Phase I of the project will be located at 333 South Spruce Street, Manteno, Illinois. Capital investment of Phase I will be at least [REDACTED], and [REDACTED] for Phase II, for a total capital investment of [REDACTED]

The Grantee shall create new 1,651 new full-time jobs in Phase I, and 961 new full-time jobs in Phase II, for a total of 2,612 new full-time jobs.

Maintenance of Operations: The Grantee shall maintain operations at the Project for a minimum of 15 years beginning on the date the Project is Placed in Service. In addition to any other rights the Department may have under the terms of this Agreement, if the Grantee suspends principal operations at the Project during the term of this Agreement with the intent to permanently shut down those operations in the State of Illinois, unless such suspension was caused due to a Force Majeure Event after the Grantee satisfied the Phase I hiring and investment commitments listed in Exhibit B, the Department may recoup all funds paid to Grantee pursuant to this Agreement, plus 7% interest. Examples of activities that evidence a cessation of operation at a Project location with an intent to terminate operations in the State include, but are not limited to, WARN notices reflecting layoffs in excess of 65% of the Full-time Employees located at the Project site, public announcements or other media reflecting an intent to relocate the entirety of the Project's operations outside the State, or any other information the Department determines reflects an intent to discontinue operations at the Project site

New Employee Wage Standards: For a Full-time Employee to be considered a New Employee, that employee's compensation must be equal to or greater than the Compensation Floor. The initial Compensation Floor for New Employees will be established as of the effective date of this Agreement. Using the Standard Occupational Classification ("SOC") Codes (the occupational classification system developed by the Executive Office of the President of the United States, Office of Management and Budget) proposed by the Grantee for each Full-time Employee, the Department will annually publish county-level information to establish the wage standards applicable to the Project. Beginning on January 1, 2028, and continuing every four years thereafter, the Grantee shall ensure that the Compensation Floor is in fact 120% of the average wage paid to a full-time employee in a similar position within the same detailed occupation by SOC code in the county where the Project is located. For example, the Grantee will use the Compensation Floor as of the Effective Date for a New Employee hired on January 1, 2025. On January 1, 2028, the Grantee shall ensure that employee's Compensation Floor is adjusted to comply with the current county wage at that time. The Compensation Floor will adjust every four years thereafter. To the extent a Full-time Employee position is created that does not correspond to any positions on the Compensation Floor schedule in effect at the time of the employee's hire (or promotion or change in duties), the Grantee may propose a SOC code for that position and the Compensation Floor will be determined using the applicable county-level wage data for the corresponding SOC code and remain in effect until the next quadrennial update.

General Assembly Approval: This Agreement shall not take effect, nor may any funds be expended, if the Department fails to comply with the notification requirements under Section 32 of the Act, or if the Speaker of the House of Representatives or the Senate President (of their designees, if applicable) submit a letter of rejection.

The following definitions shall apply to this Agreement. Terms not listed herein shall have the same meaning as set forth in the Reimagining Energy and Vehicles Act, 20 ILCS 686/1 *et. seq.*

- "Capital Improvements" "Capital Improvements" means the binding commitments of the Company made to purchase, renovate, rehabilitate, or construct (including design, engineering, legal and finance costs) permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including, organizational costs, and research and development costs incurred in Illinois that are made between the Effective Date and the Benchmark Date. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the Agreement, and the cost of the property shall be determined from the

present value, using the corporate interest rate prevailing at the time of the application, of the lease payments. For the avoidance of doubt, (i) costs set forth in Exhibit C in the REV Illinois Agreement which are incurred in Illinois are included in Capital Improvements, along with other costs that may be normally capitalized under GAAP or the US Internal Revenue Code and (ii) the corporate interest rate prevailing at the time of the application is agreed to be 3.45%.

- “Capital investment” means the expenditure of money for capital improvements.
- “Compensation Floor” means, with respect to Full-time Employees, a level of compensation equal to or greater than 120% of the average wage paid to Full-time Employees in a similar position within an occupational group in the county where the project is located, as determined by the Grantor.
- “Force Majeure Event” means any event, act, or circumstance that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party’s fault or negligence, and (iv) could not be avoided, by the party who suffers it, by the exercise of commercially reasonable efforts. A Force Majeure Event includes acts of God, natural disasters, war or war threats or hostilities (whether war is declared or not), accidents or vandalism, bank operations suspended or interrupted, insufficient power supply, embargo, blockades, suspension of trade or other trade restrictions imposed by any governmental entity (foreign or domestic), act of civil or military authority, rebellion, fire, explosion, earthquake, acts of terrorism, flood, drought, epidemic or pandemic, requisitioning or other act or order of any governmental entity, inaction or denial of necessary permit by any governmental or regulatory entity, material change in applicable federal law (including the implementation of any new federal law or regulation or new or revised interpretation of any existing federal law or regulation), or a material change in, or the implementation of, state law or regulation that prohibits a Party’s ownership by or affiliation with a designated foreign country, instrumentality or agency thereof
- “Full-time Employee” means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. Annually scheduled periods for inventory or repairs, vacations, holidays and paid time for sick leave, vacation or other leave shall be included in this computation of full-time employment. An individual for whom a W-2 is issued by a professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.
- “New Employee” means a Full-time Employee hired on or after the Effective Date, employed to work at the Project site, whose compensation equals or exceeds the Compensation Floor, and whose work is directly related to the REV-eligible activity at the Project.
 - The term “New Employee” does not include:
 - an employee of the Company who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;
 - an employee of the Company who was previously employed in Illinois by a Related Member of the Company and whose employment was shifted to the Company after the Company entered into the tax credit Agreement; or
 - any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the Company or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the Company.
 - Notwithstanding the first exclusion of employees from the term “New Employee” in paragraph 1(a), above, an employee may be considered a New Employee under the Agreement if the employee performs a job that was previously performed by an employee who was:

- treated under the Agreement as a New Employee; and
 - promoted by the Company to another position.
- An employee employed by the Company prior to the Effective Date may be considered a New Employee under the Agreement if the employee fills a job vacancy that (i) is created after the Effective Date of this Agreement; or (ii) had been continuously vacant for the 184-day period immediately preceding the Effective Date of the Agreement. A job vacancy whose incumbent is on approved leave, is locked out or is on strike is not a vacancy.
- "Occupation Code" means the Standard Occupational Classification System developed by the federal Office of Management and Budget.
- "Payroll" shall mean the total salary and wages to be paid in a Taxable Year to a New Employee and Retained Employee.
- "Placed in Service" means the date in which the Grantee meets the job hiring and capital investment commitments for Phase I (see Exhibit D).
- "Related Member" shall have the definition in Section 10 of the Reimagining Energy and Vehicles in Illinois Act, 20 ILCS 686/10.
- "Retained Employee" means a Full-time Employee employed by the Grantee prior to the term of the REV Illinois Agreement who continues to be employed during the term of the REV Illinois Agreement whose job duties are directly related to the Project. The term "Retained Employee" does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the Grantee, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the Grantee.

EXHIBIT B**DELIVERABLES OR MILESTONES**

Grantor shall use its best efforts to coordinate with all relevant department and agencies of the State to issue, as soon as is reasonably practicable, to the Grantee the amount of One Hundred and Twenty-Five Million Dollars (\$125,000,000), with such anticipated release of funds to occur within thirty (30) days of the execution of this Agreement.

Grantee must complete the following deliverables:

1. Create 1,651 New Employee Jobs during Phase I (the "Phase I Employment Commitment"), which shall be achieved by December 31, 2029. Once these jobs are created, Grantee shall maintain at least 1,651 New Employee Jobs at the Project until the Grantee satisfies the New Employee Job commitment in Phase II.
2. Create an additional 961 New Employee Jobs (for a total New Employee Jobs of 2,612) during Phase II (the "Phase II Employment Commitment"), which shall be achieved by December 31, 2034. Once Grantee creates the number of New Employees Jobs in Phase II, Grantee shall maintain at least 2,612 New Employee Jobs at the Project for throughout the duration of this Agreement.
3. Make [REDACTED] in Capital Improvements at the Project in Phase I.
4. Make [REDACTED] in Capital Improvements at the Project in Phase II.

Notice of noncompliance: The Grantee shall provide written notice to the Department not more than 30 days after the Grantee determines that the minimum job creation, job retention, employment payroll, or capital investment is no longer or will no longer be achieved or maintained as required in the Agreement, at which time the Department may initial the return of grant funds (claw-back). The notice shall specify the number of layoffs, the date of the layoffs, and the Grantee's effort to provide career and training counseling to the impacted workers with industry-related certifications and training.

Return of Grant Funds (Claw-Back)

- If the Grantee fails to satisfy the Phase I hiring and investment commitments at all times prior to December 31, 2033, then the Grantee shall repay the funds as follows:
 - \$25,000,000, plus annual interest calculated from the date on which the Grantee received the funds until the date of repayment (the "Claw-Back Interest Period"), with the annual interest rate being the lesser of (i) 7%, or (ii) the average Federal Funds Target Rate (set by the Federal Open Market Committee of the U.S. Federal Reserve) during the Claw-Back Interest Period; and
 - The greater of (1) \$60,659 for each employee below 1,651, or (2) \$85,616 for each million dollars below [REDACTED]
- If the Grantee satisfies the Phase I hiring and investment commitments, but fails to achieve the Phase II hiring and investment commitments by December 31, 2038, the Grantee shall return \$25,000,000 to the Department, plus annual interest calculated from the date on which the Grantee received the funds until the date of repayment (the "Claw-Back Interest Period"), with the annual interest rate being the lesser of (i) 7%, or (ii) the average Federal Funds Target Rate (set by the Federal Open Market Committee of the U.S. Federal Reserve) during the Claw-Back Interest Period.

Additionally:

- If on December 31 of the fifth full year after the Grantee satisfied the Phase I commitments, the Grantee employs less than 1,651 at the Project, then the Department shall be entitled to recoup from the Grantee \$12,113 for each employee below 1,651.
- If on December 31 of the tenth full year after the Grantee satisfied the Phase I commitments the Grantee employs less than 1,651 at the project, then the Department shall be entitled to recoup from the Grantee \$12,113 for each employee below 1,651.
- If the Grantee satisfies the Phase II hiring and investment commitments, then:
 - If on December 31 of the fifth full year after the Grantee satisfied the Phase II commitments the Grantee employs less than 2,612 at the Project, then the Department shall be entitled to recoup from the Grantee \$9,571 for each employee below 2,612.
 - If on December 31 of the tenth full year after the Grantee satisfied the Phase II commitments the Grantee employs less than 2,612 at the Project, then the Department shall be entitled to recoup from the Grantee \$9,571 for each employee below 2,612.

Force Majeure Events:

- The Parties agree that within 30 days following the date of commencement of a Force Majeure Event, the Grantee will notify the Department of the nature of the Force Majeure Event and of its effect upon the performance of the Party's obligations under this Agreement. The Grantee will at all times take all commercially reasonable steps to: (a) mitigate the effect of any Force Majeure Event to the extent such mitigation efforts are within the Grantee's reasonable control; and (b) comply with other obligations of this Agreement not affected by the Force Majeure Event.
- If a Force Majeure Event occurs prior to the Grantee satisfying the hiring and investment commitments for Phase I, and ultimately prevents the Grantee from satisfying those commitments, then the Grantee shall repay the funds as follows:
 - \$15,000,000; plus annual interest calculated from the date on which the Grantee received the funds until the date of repayment (the "Claw-Back Interest Period"), with the annual interest rate being the lesser of (i) 7%, or (ii) the average Federal Funds Target Rate (set by the Federal Open Market Committee of the U.S. Federal Reserve) during the Claw-Back Interest Period; and
 - The greater of (1) \$42,398 for each employee below 1,651, or (2) \$59,931 for each million dollar below [REDACTED]
- If the Force Majeure Event occurs after the Grantee satisfies the hiring and investment commitments for Phase I, then the Department shall not be entitled to recover any funds under this Agreement, and neither Party will have any further obligations to the other Party under this Agreement.

Phase I Placed in Service Report: Grantee shall provide the Department with the report set forth in Section VI(A) of the REV Illinois Agreement to establish that Grantee has achieved the New Employee Job creation and Capital Improvements Requirements for Phase I.

Phase II Placed in Service Report: Grantee shall provide the Department with the report set forth in Section VI(A) of the REV Illinois Agreement to establish that Grantee has achieved the New Employee Job creation and Capital Improvements Requirements for Phase II.

Annual Reporting on Job Creation and Capital Improvements (Periodic Performance Report): By April 1 of each year after the Agreement is executed, the Grantee shall deliver a written report to the Department stating the following:

- (i) the number of New Employees and Retained Employees (if applicable) for the Taxable Year;
- (ii) the Payroll and Occupation Code associated with the New Employees and Retained Employees;
- (iii) the amount of Capital Improvements for the Project;
- (iv) the total Payroll for the Project;
- (v) the detail of the total Project Costs for the Project, including the amount of Capital Improvements;
- (vi) a statement of the progress made by the Grantees in meeting the terms of the Agreement; and
- (vii) any other information Grantor requests in advance ("Annual Reports")

***Information relating to (i)-(iv) may be provided using Grantee's payroll system.*

Vendor Diversity Report: Pursuant to the requirements of Section 55 of the Act, the Grantee shall submit diversity and hiring plan progress reports in the format provided by Grantor. The first such report shall be due April 15, 2024, and subsequent reports shall be due by April 15 of each subsequent year during the term of the Agreement. The report shall include:

1. a point of contact for potential vendors to register with the Project;
2. certifications that the Grantee accepts or recognizes for minority and women-owned businesses as entities;
3. the Grantee's goals to contract with diverse vendors, if any, for the next fiscal year for the entire budget of Project;
4. for the last fiscal year, the actual contractual spending for the entire budget of the Project and the actual spending for minority-owned businesses and women-owned businesses, expressed as a percentage of the total budget for actual spending for the Project;
5. A narrative explaining the results of the report and the Grantee's plan to address the voluntary goals for the next fiscal year; and
6. A copy of the Grantee's submission of vendor diversity information to the federal government, including but not limited to vendor diversity goals and actual contractual spending for minority- and women-owned businesses, if the Grantee is a federal contractor and is required by the federal government to submit such information.

EXHIBIT C

CONTACT INFORMATION

CONTACTS FOR NOTIFICATION AND GRANT ADMINISTRATION:

Unless specified elsewhere, all notices required or desired to be sent by either Party must be sent to the persons listed below. Grantee must notify Grantor of any changes in its contact information listed below within five (5) business days from the effective date of the change, and Grantor must notify Grantee of any changes to its contact information as soon as practicable. The Party making a change must send any changes in writing to the contact for the other Party. No amendment to this Agreement is required if information in this Exhibit is changed.

FOR OFFICIAL GRANT NOTIFICATIONS

GRANTOR CONTACT

Name: Kristin A. Richards
Title: Director
Address: 607 E. Adams St.
Springfield, IL 62701

GRANTEE CONTACT

Name: Di Zhang
Title: Senior Legal Director
Address: 48860 Kato Rd
Fremont, CA 94538-0000

GRANTEE PAYMENT ADDRESS

(If different than the address above)

Address: N/A

FOR GRANT ADMINISTRATION

GRANTOR CONTACT

Name: Leslie Barsema
Title: Grant Manager
Address: 607 E. Adams St.
Springfield, IL 62701
Phone: 217-725-9116
TTY#: (800) 785-6055
Email: leslie.barsema@illinois.gov
Address:

GRANTEE CONTACT

Name: Di Zhang
Title: Senior Legal Director
Address: 48860 Kato Rd
Fremont, CA 94538-0000
Phone: 240-205-5598
TTY#: N/A
Email: d.zhang2@gotion.com
Address:

GRANTEE DESIGNEES

The following are designated as Authorized Designee(s) for the Grantee (See **PART TWO**, ARTICLE XXIII):

Authorized Designee: _____
Authorized Designee Title: _____
Authorized Designee Phone: _____
Authorized Designee Email: _____

Authorized Designee Signature: _____

Authorized Signatory Approval: _____

Authorized Designee: _____
Authorized Designee Title: _____
Authorized Designee Phone: _____
Authorized Designee Email: _____

Authorized Designee Signature: _____

Authorized Signatory Approval: _____

GRANTOR CONTACT FOR AUDIT OR CONSOLIDATED YEAR-END FINANCIAL REPORTS QUESTIONS—AUDIT UNIT

Email: externalauditunit@illinois.gov

GRANTOR CONTACT FOR FINANCIAL CLOSEOUT QUESTIONS—PROGRAM ACCOUNTANT

Name: Kenneth Allen
Email: Kenneth.Allen@illinois.gov
Phone: 217-785-6435
Fax#: N/A

Address: 607 E. Adams St.
Springfield, IL 62701

EXHIBIT D

PERFORMANCE MEASURES AND STANDARDS

	New Employee Jobs Created	Capital Investment	Average Annual Salary
Phase I	1,651		
Phase II (Planned)	961		
Total	2,612		

EXHIBIT E

SPECIFIC CONDITIONS

Grantor may remove (or reduce) a Specific Condition included in this Exhibit by providing written notice to the Grantee, in accordance with established procedures for removing a Specific Condition.

Results of the ICQ and Programmatic Risk Assessment Indicate no additional conditions are required.

PART TWO – GRANTOR-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE**, Grantor has the following additional requirements for its Grantee:

**ARTICLE XXIII
AUTHORIZED SIGNATORY**

23.1. Authorized Signatory. In processing this Award and related documentation, Grantor will only accept materials signed by the Authorized Signatory or Designee of this Agreement, as designated or prescribed in the Grantee's signature block or on **Exhibit C**. If the Authorized Signatory chooses to assign a designee to sign or submit materials required by this Agreement to Grantor, the Authorized Signatory must either send written notice to Grantor indicating the name of the designee, or provide notice as set forth in **Exhibit C**. Without this notice, Grantor will reject any materials signed or submitted on the Grantee's behalf by anyone other than the Authorized Signatory. The Authorized Signatory must approve each Authorized Designee separately by signing as indicated on **Exhibit C** or on the appropriate form provided by Grantor. If an Authorized Designee(s) appears on **Exhibit C**, the Grantee should verify the information and indicate any changes as necessary. Signatures of both the Authorized Signatory and the Authorized Designee are required in order for the Authorized Designee to have signature authority under this Agreement.

**ARTICLE XXIV
ADDITIONAL AUDIT PROVISIONS**

24.1. Discretionary Audit. The Grantor may, at any time and in its sole discretion, require a program-specific audit, or other audit, SAS 115/AU-C265 letters (Auditor's Communication of Internal Control Related Matters) and SAS 114/AU-C260 letters (Auditor's Communication With Those Charged With Governance).

**ARTICLE XXV
ADDITIONAL MONITORING PROVISIONS**

25.1. Access to Documentation. The Award will be monitored for compliance in accordance with the terms and conditions of this Agreement, together with appropriate programmatic rules, regulations, and/or guidelines that the Grantor promulgates or implements. The Grantee must permit any agent authorized by the Grantor, upon presentation of credentials, in accordance with all methods available by law, full access to and the right to examine any document, papers and records either in hard copy or electronic format, of the Grantee involving transactions relating to this Award.

25.2. Cooperation with Audits and Inquiries, Confidentiality. Pursuant to ARTICLE IX, above, the Grantee is obligated to cooperate with the Grantor and other legal authorities in any audit or inquiry related to the Award. The Grantor or any other governmental authority conducting an audit or inquiry may require the Grantee to keep confidential any audit or inquiry and to limit internal disclosure of the audit or inquiry to those Grantee personnel who are necessary to support the Grantee's response to the audit or inquiry. This confidentiality requirement does not limit Grantee's right to discuss an audit or inquiry with its legal counsel. If a third party seeks to require the Grantee, pursuant to any law, regulation, or legal process, to disclose an audit or inquiry that has been deemed confidential by the Grantor or other governmental authority, the Grantee must promptly notify the entity that is conducting the audit or inquiry of such effort so that the entity that is conducting the audit or inquiry may seek a protective order, take other appropriate action, or waive compliance by the Grantee with the confidentiality requirement.

**ARTICLE XXVI
ADDITIONAL INTEREST PROVISIONS**

26.1. Interest Earned on Grant Funds. Interest earned on Grant Funds in an amount up to \$500 per year may be retained by the Grantee for administrative expenses unless otherwise provided in **PART THREE**. Any additional interest earned on Grant Funds above \$500 per year must be returned to the Grantor pursuant to Paragraphs 4.3 and 29.2 herein, or as otherwise instructed by the Grant Manager or as set forth in **PART THREE**. All interest earned must be expended prior to Grant Funds. Any unspent Grant Funds or earned interest unspent must be returned as Grant Funds to the Grantor as described in Paragraphs 4.3 and 29.2 herein. All interest earned on Grant Funds must be accounted for and reported to the Grantor as provided in ARTICLE X herein. If applicable, the Grantor will remit interest earned and returned by Grantee to the U.S. Department of Health and Human Services Payment Management System through the process set forth at 2 CFR 200.305(b)(9), or as otherwise directed by the federal awarding agency. The provisions of this Paragraph are inapplicable to the extent any statute, rule or program requirement provides for different treatment of interest income. Any provision that deviates from this paragraph is set forth in **PART THREE**.

ARTICLE XXVII ADDITIONAL BUDGET PROVISIONS

27.1. Restrictions on Line Item Transfers. Unless set forth otherwise in **PART THREE** herein, Budget line item transfers within the guidelines set forth in paragraph 6.2 herein, which would not ordinarily require approval from Grantor, but vary more than ten percent (10%) of the current approved Budget line item amount, are considered changes in the project scope and require Prior Approval from Grantor pursuant to 44 Ill. Admin. Code 7000.370(b).

ARTICLE XXVIII ADDITIONAL REPRESENTATIONS AND WARRANTIES

28.1. Grantee Representations and Warranties. In connection with the execution and delivery of this Agreement, the Grantee makes the following representations and warranties to Grantor:

(b) That it has no public or private interest, direct or indirect, and will not acquire, directly or indirectly any such interest which does or may conflict in any manner with the performance of the Grantee's services and obligations under this Agreement;

(c) That no member of any governing body or any officer, agent or employee of the State, has a personal financial or economic interest directly in this Agreement, or any compensation to be paid hereunder except as may be permitted by applicable statute, regulation or ordinance;

(d) That there is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee's knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by this Agreement;

(e) That to the best of the Grantee's knowledge and belief, the Grantee, its principals and key project personnel:

(i) Are not presently declared ineligible or voluntarily excluded from contracting with any federal or State department or agency;

(ii) Have not, within a three (3)-year period preceding this Agreement, been convicted of any felony; been convicted of a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; had a civil judgment rendered against them for commission of fraud; been found in violation of federal or state antitrust statutes; or been convicted of embezzlement, theft, larceny, forgery, bribery, falsification or destruction of records, making a false statement, or receiving stolen property;

(iii) Are not presently indicted for, or otherwise criminally or civilly charged, by a government entity (federal, state or local) with commission of any of the offenses enumerated in subparagraph (ii) of this certification; and

(iv) Have not had, within a three (3)-year period preceding this Agreement, any judgment rendered in an administrative, civil or criminal matter against the Grantee, or any entity associated with its principals or key personnel, related to a grant issued by any federal or state agency or a local government.

Any request for an exception to the provisions of this subparagraph (d) must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction; and

(f) Grantee certifies that it is not currently operating under, or subject to, any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of Grantee's knowledge, that it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority. Should it become the subject of an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify Grantor of any such investigation. Grantee acknowledges that should it later be subject to a cease and desist order, Memorandum of Understanding, or found in violation pursuant to any regulatory action or any court action or proceeding before any administrative agency, that Grantor is authorized to declare Grantee out of compliance with this Agreement and suspend or terminate the Agreement pursuant to ARTICLE XIII herein and any applicable rules.

ARTICLE XXIX

ADDITIONAL TERMINATION, SUSPENSION, BILLING SCHEDULE AND NON-COMPLIANCE PROVISIONS

29.1. Remedies for Non-Compliance. If Grantor suspends or terminates this Agreement pursuant to ARTICLE XIII herein, Grantor may also elect any additional remedy allowed by law, including, but not limited to, one or more of the following remedies:

(a) Direct the Grantee to refund some or all of the Grant Funds disbursed to it under this Agreement; and

(b) Direct the Grantee to remit an amount equivalent to the "Net Salvage Value" of all equipment or materials purchased with Grant Funds provided under this Agreement. For purposes of this Agreement, "Net Salvage Value" is defined as the amount realized, or that the Parties agree is likely to be realized from, the sale of equipment or materials purchased with Grant Funds provided under this Agreement at its current fair market value, less selling expenses.

29.2. Grant Refunds. In accordance with the Illinois Grant Funds Recovery Act, 30 ILCS 705/1 *et seq.*, the Grantee must, within forty-five (45) days of the effective date of a termination of this Agreement, refund to Grantor, any balance of Grant Funds not spent or not obligated as of that date.

29.3. Grant Funds Recovery Procedures. In the event that Grantor seeks to recover from Grantee Funds received pursuant to this Award that: (i) Grantee cannot demonstrate were properly spent, or (ii) have not been expended or legally obligated by the time of expiration or termination of this Award, the Parties agree to follow the procedures set forth in the Illinois Grant Funds Recovery Act, 30 ILCS 705/1 *et seq.* (GFRA), for the recovery of Grant Funds, including the informal and formal hearing requirements. All remedies available in Section 6 of the GFRA will apply to these proceedings. The Parties agree that Grantor's Administrative Hearing Rules (56 Ill. Admin. Code Part 2605) and/or any other applicable hearing rules shall govern these proceedings.

29.4. Grantee Responsibility. Grantee will be held responsible for the expenditure of all Grant Funds received through this Award, whether expended by Grantee or a subrecipient or contractor of Grantee. Grantor may

seek any remedies against Grantee permitted pursuant to this Agreement and 2 CFR 200.339 for the action of a subrecipient or contractor of Grantee that is not in compliance with the applicable statutes, regulations or the terms and conditions of this Award.

29.5. Billing Schedule. In accordance with paragraph 4.8, herein Grantee must submit all payment requests to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART THREE** or Paragraph 2.3. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee must timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension cannot be unreasonably withheld. The payment requirements of this Paragraph supersede those set forth in Paragraph 4.8.

ARTICLE XXX ADDITIONAL MODIFICATION PROVISIONS

30.1. Modifications by Operation of Law. This Agreement is subject to such modifications as the Grantor determines, in its sole discretion, may be required by changes in federal or State law or regulations applicable to this Agreement. Grantor will initiate such modifications, and Grantee will be required to agree to the modification in writing as a condition of continuing the Award. Any such required modification will be incorporated into and become part of this Agreement as if fully set forth herein. The Grantor will timely notify the Grantee of any pending implementation of or proposed amendment to any laws or regulations of which it has notice.

30.2. Discretionary Modifications. If either the Grantor or the Grantee wishes to modify the terms of this Agreement other than as set forth in ARTICLES V and VI and Paragraphs 30.1 and 30.3, written notice of the proposed modification must be given to the other Party. Modifications will only take effect when agreed to in writing by both the Grantor and the Grantee. However, if the Grantor notifies the Grantee in writing of a proposed modification, and the Grantee fails to respond to that notification, in writing, within thirty (30) days, the Grantor may commence a process to suspend or terminate this Award. In making an objection to the proposed modification, the Grantee must specify the reasons for the objection and the Grantor will consider those objections when evaluating whether to follow through with the proposed modification. The Grantor's notice to the Grantee must contain the Grantee name, Agreement number, Amendment number and purpose of the revision. If the Grantee seeks any modification to the Agreement, the Grantee must submit a detailed narrative explaining why the Project cannot be completed in accordance with the terms of the Agreement and how the requested modification will ensure completion of the Grant Activities, Deliverables, Milestones and/or Performance Measures (**Exhibits A, B and D**).

30.3. Unilateral Modifications. The Parties agree that Grantor may, in its sole discretion, unilaterally modify this Agreement without prior approval of the Grantee when the modification is initiated by Grantor for the sole purpose of increasing the Grantee's funding allocation as additional funds become available for the Award during the program year covered by the Term of this Agreement.

30.4. Management Waiver. The Parties agree that the Grantor may issue a waiver of specific requirements of this Agreement after the term of the Agreement has expired. These waivers are limited to non-material changes to specific provisions that the Grantor determines are necessary to place the Grantee in administrative compliance with the requirements of this Agreement. A management waiver issued after the Term of the Agreement has expired will supersede the original requirements of this Agreement that would normally require a modification of this Agreement to be executed. The Grantor will make no modifications of this Agreement not agreed to prior to the expiration of the Agreement beyond what is specifically set forth in this Paragraph.

30.5. Term Extensions. The Grantee acknowledges that all Grant Funds must be expended or legally obligated, and all Grant Activities, Deliverables, Milestones and Performance Measures (**Exhibits A, B and D**) must be completed during the Term of the Agreement. Extensions of the Term will be granted only for good cause, subject to the Grantor's discretion. Pursuant to the Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*), no Award may be

extended in total beyond a two (2)-year period unless the Grant Funds are expended or legally obligated during that initial two-year period, or unless Grant Funds are disbursed for reimbursement of costs previously incurred by the Grantee. If Grantee requires an extension of the Award Term, Grantee should submit a written request to the Grant Manager at least sixty (60) days prior to the end of the Award Term or extended Award Term, as applicable, stating the reason for the extension. If Grantee provides reasonable extenuating circumstances, Grantee may request an extension of the Award Term with less than sixty (60) days remaining.

ARTICLE XXXI ADDITIONAL CONFLICT OF INTEREST PROVISIONS

31.1. Bonus or Commission Prohibited. The Grantee shall not pay any bonus or commission for the purpose of obtaining the Grant Funds awarded under this Agreement.

31.2. Hiring State Employees Prohibited. No State officer or employee may be hired to perform services under this Agreement on behalf of the Grantee, or be paid with Grant Funds derived directly or indirectly through this Award without the written approval of the Grantor unless Grantee is a State agency.

ARTICLE XXXII ADDITIONAL EQUIPMENT OR PROPERTY PROVISIONS

32.1. Equipment Management. The Grantee is responsible for replacing or repairing equipment and materials purchased with Grant Funds that are lost, stolen, damaged, or destroyed. Any loss, damage or theft of equipment and materials must be investigated and fully documented, and immediately reported to the Grantor and, where appropriate, the appropriate law enforcement authorities.

32.2. Purchase of Real Property. If permitted by the Award Budget and scope of activities provided in this Agreement, a Grantee may use the Grant Funds during the Award Term for the costs associated with the purchase of real property (as defined by 2 CFR 200.1) either through the use of reimbursement or advanced funds as permitted in Paragraph 2.3 of this Agreement for the following purposes and consistent with the Grantor's bondability guidelines and 2 CFR 200:

- (a) Cash payment of the entirety or a portion of the real property acquisition;
- (b) Cash Payment of a down payment for the acquisition;
- (c) Standard and commercially reasonable costs required to be paid at the acquisition closing (*i.e.*, closing costs); or
- (d) Payments to reduce the debt incurred by Grantee to purchase the real property.

32.3. Bonding Requirements. If Grant Funds through this Award are used for construction or facility improvement projects that exceed the Simplified Acquisition Threshold, the Grantee must comply with the minimum bonding requirements listed in 2 CFR 200.326(a) – (c). Grantor will not accept the Grantee's own bonding policy and requirements.

32.4. Lien Requirements. Grantor may direct Grantee in writing to record a lien or notice of State or federal interest on the property purchased or improved with Grant Funds. 2 CFR 200.316. If Grantor makes this direction and the Grantee does not comply, the Grantor may: (a) record the lien or notice of State or federal interest and reduce the amount of the Grant Funds by the cost of recording the lien or notice of State or federal interest, or (b) suspend this Award until Grantee complies with Grantor's direction.

ARTICLE XXXIII APPLICABLE STATUTES

To the extent applicable, Grantor and Grantee shall comply with the following:

33.1. Grantee Responsibility. Grantee is responsible for ensuring compliance with all applicable laws, rules and regulations, including, but not limited to those specifically referenced herein. Except where expressly required by applicable laws and regulations, the Grantor shall not be responsible for monitoring Grantee's compliance.

33.2. Land Trust Beneficial Interest Disclosure Act (765 ILCS 405/2.1). No Grant Funds will be paid to any trustee of a land trust, or any beneficiary or beneficiaries of a land trust, for any purpose relating to the land, which is the subject of such trust, any interest in such land, improvements to such land or use of such land unless an affidavit is first filed with the Grantor identifying each beneficiary of the land trust by name and address and defining such interest therein. This affidavit must be filed with the Illinois Office of the Comptroller as an attachment to this Agreement.

33.3. Historic Preservation Act (20 ILCS 3420/1 et seq.). The Grantee will not expend Grant Funds under this Agreement which result in the destruction, alteration, renovation, transfer or sale, or utilization of a historic property, structure or structures, or in the introduction of visual, audible or atmospheric elements to a historic property, structure or structures, which will result in the change in the character or use of any historic property, except as approved by the Illinois Department of Natural Resources, Historic Preservation Division. The Grantee must not expend Grant Funds under this Agreement for any project, activity, or program that can result in changes in the character or use of historic property, if any historic property is located in the area of potential effects without the approval of the Illinois Department of Natural Resources, Historic Preservation Division. 20 ILCS 3420/3(f).

33.4. Victims' Economic Security and Safety Act (820 ILCS 180 et seq.). If the Grantee has one (1) or more employees, it may not discharge or discriminate against an employee who is a victim of domestic or sexual violence, or who has a family or household member who is a victim of domestic or sexual violence, for taking up to the allowable amount of leave from work to address the domestic violence, pursuant to the Victims' Economic Security and Safety Act. 820 ILCS 180/20(a)(2). The Grantee is not required to provide paid leave under the Victims' Economic Security and Safety Act, but may not suspend group health plan benefits during the leave period. Any failure on behalf of the Grantee to comply with all applicable provisions of the Victims' Economic Security and Safety Act, or applicable rules and regulations promulgated thereunder, may result in a determination that the Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by statute or regulation.

33.5. Equal Pay Act of 2003 (820 ILCS 112 et seq.). If the Grantee has one (1) or more employees, it is prohibited by the Equal Pay Act of 2003 from: (a) discriminating between employees by paying unequal wages on the basis of sex for doing the same or substantially similar work; (b) discriminating between employees by paying wages to an African-American employee at a rate less than the rate at which the Grantee pays wages to another employee who is not African-American for the same or substantially similar work; (c) remedying violations of the Equal Pay Act of 2003 by reducing the wages of other employees or discriminating against any employee exercising their rights under the Equal Pay Act of 2003; and (d) screening job applicants based on their current or prior wages or salary histories, or requesting or requiring a wage or salary history from an individual as a condition of employment or consideration for employment. Any failure on behalf of the Grantee to comply with all applicable provisions of the Equal Pay Act of 2003, or applicable rules and regulations promulgated thereunder, may result in a determination that the Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by statute or regulation.

33.6. Steel Products Procurement Act (30 ILCS 565/1 et seq.). The Grantee, if applicable, hereby certifies that any steel products used or supplied in accordance with this Award for a public works project shall be

manufactured or produced in the United States per the requirements of the Steel Products Procurement Act (30 ILCS 565/1 *et seq.*).

33.7. Business Enterprise for Minorities, Women, and Persons with Disabilities Act and Illinois Human Rights Act (30 ILCS 575/0.01; 775 ILCS 5/2-105). The Grantee acknowledges and hereby certifies compliance with the provisions of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and the equal employment practices of Section 2-105 of the Illinois Human Rights Act for the provision of services which are directly related to the Award activities to be performed under this Agreement.

33.8. Identity Protection Act (5 ILCS 179/1 *et seq.*) and Personal Information Protection Act (815 ILCS 530/1 *et seq.*). The Grantor is committed to protecting the privacy of its vendors, grantees and beneficiaries of programs and services. At times, the Grantor will request social security numbers or other personal identifying information. Federal and state laws, rules and regulations require the collection of this information for certain purposes relating to employment and/or payments for goods and services, including, but not limited to, Awards. The Grantor also collects confidential information for oversight and monitoring purposes.

Furnishing personal identity information, such as a social security number, is voluntary; however, failure to provide required personal identity information may prevent an individual or organization from using the services/benefits provided by the Grantor as a result of state or federal laws, rules and regulations.

To the extent the Grantee collects or maintains protected personal information as part of carrying out the Award activities, the Grantee must maintain the confidentiality of the protected personal information in accordance with applicable law and as set forth below.

(a) **Personal Information Defined.** As used herein, "Personal Information" shall have the definition set forth in the Personal Information Protection Act, 815 ILCS 530/5 ("PIPA").

(b) **Protection of Personal Information.** The Grantee must use at least reasonable care to protect the confidentiality of Personal Information that is collected or maintained as part of the Award activities and (i) not use any Personal Information for any purpose outside the scope of the Award activities and (ii) except as otherwise authorized by the Grantor in writing, limit access to Personal Information to those of its employees, contractors, and agents who need such access for purposes consistent with the Award Activities. If Grantee provides any contractor or agent with access to Personal Information, it must require the contractor or agent to comply with the provisions of this Paragraph.

(c) **Security Assurances.** Grantee represents and warrants that it has established and will maintain safeguards against the loss and unauthorized access, acquisition, destruction, use, modification, or disclosure of Personal Information and shall otherwise maintain the integrity of Personal Information in its possession in accordance with any federal or state law privacy requirements, including PIPA. These safeguards must be reasonably designed to (i) ensure the security and confidentiality of the Personal Information, (ii) protect against any anticipated threats or hazards to the security or integrity of Personal Information, and (iii) protect against unauthorized access to or use of Personal Information. Additionally, Grantee will have in place policies, which provide for the secure disposal of documents and information which contain Personal Information, including but not limited to shredding documents and establishing internal controls over the authorized access to such information. 815 ILCS 530/40.

(d) **Breach Response.** In the event of any unauthorized access to, unauthorized disclosure of, loss of, damage to or inability to account for any Personal Information (a "Breach"), Grantee agrees that it will promptly, at its own expense: (i) report such Breach to the Grantor by telephone with immediate written confirmation sent by e-mail, describing in detail any accessed materials and identifying any individual(s) who may have been involved in such Breach; (ii) take all actions necessary or reasonably requested by the Grantor to stop, limit or minimize the Breach; (iii) restore and/or retrieve, as applicable, and return all Personal Information that was lost, damaged, accessed, copied or removed; (iv) cooperate in

all reasonable respects to minimize the damage resulting from such Breach; (v) provide any notice to Illinois residents as required by 815 ILCS 530/10, 815 ILCS 530/12 or applicable federal law, in consultation with the Grantor; and (vi) cooperate in the preparation of any report related to the Breach that the Grantor may need to present to any governmental body.

(e) **Injunctive Relief.** Grantee acknowledges that, in the event of a breach of this Paragraph, Grantor will likely suffer irreparable damage that cannot be fully remedied by monetary damages. Accordingly, in addition to any remedy which the Grantor may possess pursuant to applicable law, the Grantor retains the right to seek and obtain injunctive relief against any such breach in any Illinois court of competent jurisdiction.

(f) **Compelled Access or Disclosure.** The Grantee may disclose Personal Information if it is compelled by law, regulation, or legal process to do so, provided the Grantee gives the Grantor at least ten (10) days' prior notice of such compelled access or disclosure (to the extent legally permitted) and reasonable assistance if the Grantor wishes to contest the access or disclosure.

ARTICLE XXXIV ADDITIONAL MISCELLANEOUS PROVISIONS

34.1. **Workers' Compensation Insurance, Social Security, Retirement and Health Insurance Benefits, and Taxes.** The Grantee must provide Workers' Compensation insurance where the same is required and accepts full responsibility for the payment of unemployment insurance, premiums for Workers' Compensation, Social Security and retirement and health insurance benefits, as well as all income tax deduction and any other taxes or payroll deductions required by law for its employees who are performing services specified by this Agreement.

34.2. **Required Notice.** Grantee agrees to give prompt notice to the Grantor of any event that may materially affect the performance required under this Agreement. Any notice or final decision by Grantor relating to (a) a Termination or Suspension (ARTICLE XIII), (b) Modifications, Management Waivers or Term Extensions (ARTICLE XXX) or (c) Assignments (Paragraph 22.2) must be executed by the Director of the Grantor or her or his authorized designee.

ARTICLE XXXV ADDITIONAL REQUIRED CERTIFICATIONS

The Grantee makes the following certifications as a condition of this Agreement. These certifications are required by State statute and are in addition to any certifications required by any federal funding source as set forth in this Agreement. Grantee's execution of this Agreement shall serve as its attestation that the certifications made herein are true and correct.

35.1. **Sexual Harassment.** The Grantee certifies that it has written sexual harassment policies that must 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 Grantee'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 Sections 6-101 and 6-101.5 of the Illinois Human Rights Act. 775 ILCS 5/2-105(A)(4). A copy of the policies must be provided to the Grantor upon request.

35.2. **Federal, State and Local Laws; Tax Liabilities; State Agency Delinquencies.** The Grantee is required to comply with all federal, state and local laws, including but not limited to the filing of any and all applicable tax returns. If Grantee is delinquent in filing and/or paying any federal, state and/or local taxes, the Grantor will disburse

Grant Funds only if the Grantee enters into an installment payment agreement with the applicable tax authority and remains in good standing with that authority. Grantee is required to tender a copy of all relevant installment payment agreements to the Grantor. In no event may Grantee utilize Grant Funds to discharge outstanding tax liabilities or other debts owed to any governmental unit. **The execution of this Agreement by the Grantee is its certification that: (i) it is current as to the filing and payment of any federal, state and/or local taxes applicable to Grantee; and (ii) it is not delinquent in its payment of moneys owed to any federal, state, or local unit of government.**

35.3. Lien Waivers. If applicable, the Grantee must monitor construction to assure that necessary contractors' affidavits and waivers of mechanics liens are obtained prior to release of Grant Funds to contractors and subcontractors.

35.4. Grant for the Construction of Fixed Works. Grantee certifies that all Projects for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement will be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Projects, Grantee must comply with the requirements of the Prevailing Wage Act including, but not limited to: (a) paying the prevailing rate of wages required by the Illinois Department of Labor, or a court on review, to all laborers, workers and mechanics performing work with Grant Funds provided through this Agreement, (b) inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Project must be paid to all laborers, workers, and mechanics performing work under this Award; and (c) requiring all bonds of contractors to include a provision as will guarantee the faithful performance of the prevailing wage clause as provided by contract.

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PART THREE – PROJECT-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE** and Grantor-Specific Terms in **PART TWO**, Grantor has the following additional requirements for this Project:

**ARTICLE XXXVI
REPORT DELIVERABLE SCHEDULE**

36.1. External Audit Reports. External Audit Reports may be required. Refer to ARTICLE XII of this Agreement to determine whether you are required to submit an External Audit Report and the applicable due date.

36.2. Annual Financial Reports. Annual Financial Reports may be required. Refer to Paragraph 12.2 of this Agreement to determine whether you are required to submit Annual Financial Reports.

36.3. Required Periodic Reports. Below is the required periodic reporting schedule for this Award.

June 2024

- Annual Invest in Illinois Report (06/28/2024) - Covering Period of 07/01/2023 - 12/31/2023; Send To: Grant Manager

June 2025

- Annual Invest in Illinois Report (06/30/2025) - Covering Period of 01/01/2024 - 12/31/2024; Send To: Grant Manager

June 2026

- Annual Invest in Illinois Report (06/29/2026) - Covering Period of 01/01/2025 - 12/31/2025; Send To: Grant Manager

June 2027

- Annual Invest in Illinois Report (06/29/2027) - Covering Period of 01/01/2026 - 12/31/2026; Send To: Grant Manager

June 2028

- Annual Invest in Illinois Report (06/28/2028) - Covering Period of 01/01/2027 - 12/31/2027; Send To: Grant Manager

June 2029

- Annual Invest in Illinois Report (06/29/2029) - Covering Period of 01/01/2028 - 12/31/2028; Send To: Grant Manager

July 2030

- Annual Invest in Illinois Report (07/01/2030) - Covering Period of 01/01/2029 - 12/31/2029; Send To: Grant Manager

June 2031

- Annual Invest in Illinois Report (06/30/2031) - Covering Period of 01/01/2030 - 12/31/2030; Send To: Grant Manager

June 2032

- Annual Invest in Illinois Report (06/28/2032) - Covering Period of 01/01/2031 - 12/31/2031; Send To: Grant Manager

June 2033

- Annual Invest in Illinois Report (06/29/2033) - Covering Period of 01/01/2032 - 12/31/2032; Send To: Grant Manager

June 2034

- Annual Invest in Illinois Report (06/29/2034) - Covering Period of 01/01/2033 - 12/31/2033; Send To: Grant Manager

June 2035

- Annual Invest in Illinois Report (06/29/2035) - Covering Period of 01/01/2034 - 12/31/2034; Send To: Grant Manager

June 2036

- Annual Invest in Illinois Report (06/30/2036) - Covering Period of 01/01/2035 - 12/31/2035; Send To: Grant Manager

June 2037

- Annual Invest in Illinois Report (06/29/2037) - Covering Period of 01/01/2036 - 12/31/2036; Send To: Grant Manager

June 2038

- Annual Invest in Illinois Report (06/29/2038) - Covering Period of 01/01/2037 - 12/31/2037; Send To: Grant Manager

June 2039

- Annual Invest in Illinois Report (06/29/2039) - Covering Period of 01/01/2038 - 12/31/2038; Send To: Grant Manager

June 2040

- Annual Invest in Illinois Report (06/28/2040) - Covering Period of 01/01/2039 - 12/31/2039; Send To: Grant Manager

July 2041

- Annual Invest in Illinois Report (07/01/2041) - Covering Period of 01/01/2040 - 12/31/2040; Send To: Grant Manager

June 2042

- Annual Invest in Illinois Report (06/30/2042) - Covering Period of 01/01/2041 - 12/31/2041; Send To: Grant Manager

June 2043

- Annual Invest in Illinois Report (06/29/2043) - Covering Period of 01/01/2042 - 12/31/2042; Send To: Grant Manager

June 2044

- Annual Invest in Illinois Report (06/28/2044) - Covering Period of 01/01/2043 - 12/31/2043; Send To: Grant Manager

June 2045

- Annual Invest in Illinois Report (06/29/2045) - Covering Period of 01/01/2044 - 12/31/2044; Send To: Grant Manager

June 2046

- Annual Invest in Illinois Report (06/29/2046) - Covering Period of 01/01/2045 - 12/31/2045; Send To: Grant Manager

July 2047

- Annual Invest in Illinois Report (07/01/2047) - Covering Period of 01/01/2046 - 12/31/2046; Send To: Grant Manager

June 2048

- Annual Invest in Illinois Report (06/29/2048) - Covering Period of 01/01/2047 - 12/31/2047; Send To: Grant Manager

March 2049

- Annual Invest in Illinois Report (03/30/2049) - Covering Period of 01/01/2048 - 10/01/2048; Send To: Grant Manager

36.4. Changes to Reporting Schedule. Changes to the schedules for periodic reporting, the external audit reports and the annual financial reports do not require a formal modification to this Agreement pursuant to Paragraph 22.4 and ARTICLE XXX, and may be changed unilaterally by the Grantor if necessitated by a change in the project schedule or at the discretion of the Grantor. The Grantee may not modify the reporting deliverable schedules in ARTICLES X, XI, XII and XXXVI unilaterally, and must obtain prior written approval from Grantor or the Grant Accountability and Transparency Unit of the Governor's Office of Management and Budget, if applicable, to change any reporting deadlines.

ARTICLE XXXVII GRANT-SPECIFIC TERMS/CONDITIONS

37.1.

37.1. Statutory Exemptions: Grantor has issued this Award to Grantee as an economic incentive pursuant to the Invest in Illinois Act (the "Act"), 30 ILCS 751/1 *et seq.*, and accordingly, the Award does not support the expenditure of specific costs. Exemptions to certain grant and other State statutory requirements apply to this Award as follows and are controlling over the provisions in **PART ONE** and **PART TWO** of this Agreement pursuant to 22.10(b) herein:

(a) Statutory Exemptions. The following Articles of the Agreement are not applicable as they are exempted by 30 ILCS 751/50:

- (i) 3.5(o) (Illinois Works Review Panel)
- (ii) 4.4 (Cash Management Improvement Act of 1990)
- (iii) 4.7 (a)&(b): Interest
- (iv) 4.8 (Timely Billing Required)
- (v) 4.9 (Certification)
- (vi) Article XII (Audit Requirement) in its entirety
- (vii) Article XXIV (Additional Audit Requirement) in its entirety
- (viii) Article XXVI (Additional Interest Provisions) in its entirety
- (ix) 33.7 (Business Enterprise for Minorities, Women, and Persons with Disabilities Act and Illinois Human Rights Act)

(b) Budget Exemptions. The following Articles of the Agreement are not applicable due to an exemption granted by GATU that the uniform budget template is not required:

- (i) Article VI (Budget) in its entirety
- (ii) Article VII (Allowable Costs) in its entirety
- (iii) Article X (Financial Reporting Requirements) in its entirety
- (iv) Article XXVII (Additional Budget Provision) in its entirety

(c) Other Exemptions. The following Articles of the Agreement are not applicable due to the fact that this Award is an incentive for the Grantee to perform the project, rather than support of the expenditure of specific costs.

- (i) 4.2 (Pre-Award Costs)
- (ii) Article XIV (Subcontracts/Subawards) in its entirety
- (iii) Article XVIII (Equipment of Property) in its entirety
- (iv) 19.1 (Promotional and Written Materials)
- (v) 20.1 (Maintenance of Insurance)
- (vi) 20.2 (Claims)
- (vii) 29.5 (Billing Schedule)
- (viii) Article XXXII (Additional Equipment or Property Provisions) in its entirety
- (ix) 33.2 (Land Trust Beneficial Interest)
- (x) 33.6 (Steel Products Procurement Act)
- (xi) 35.4 (Grant for the Construction of Fixed Works)

37.2. Project Labor Agreement: As a requirement of this Agreement, if the Grantee is a party to, or in the future enters into an agreement with the State, pursuant to the Reimagining Energy and Vehicles Illinois program ("REV") and seeks REV Construction Credits, the Grantee must comply with the Project Labor Agreement required under the REV Illinois Agreement. Failure to comply with the Project Labor Agreement is considered a breach of this Agreement and may result in the Grantor seeking from Grantee the return of Grant Funds.

ATTACHMENT B

**REV Tax Credit Agreement between the State of Illinois, Department of Commerce and
Economic Opportunity and Gotion, Inc.**

[Attached]

REV TAX CREDIT AGREEMENT (TIER 2)

THIS AGREEMENT is entered into as of this 6th day of September, 2023 (the “Effective Date”), by and between the State of Illinois, acting by and through its Department of Commerce and Economic Opportunity (the “Department”) and Gotion, Inc. (the “Company”) and together with the Department, the “Parties”.

Recitals

A. WHEREAS, the Illinois legislature enacted the Reimagining Energy and Vehicles in Illinois (“REV”) Tax Credit Act, 20 ILCS 686/1, *et seq.*, as amended (the “Act”), which provides for the award of REV tax credits to businesses that will support the development and growth of electric vehicles and other products essential to the growth of the renewable energy sector in Illinois, specifically manufacturers of electric vehicles, Electric Vehicle Components Parts Manufacturers, Electric Vehicle Power Supply Equipment Manufacturers, battery recycling and reuse manufacturers, battery raw materials refining service providers, and Renewable Energy Manufacturers.

B. WHEREAS, under Section 15 of the Act, the Department is granted all powers necessary or convenient to carry out and effectuate the purposes and provisions of the Act.

C. WHEREAS, Section 45 of the Act requires that the Department enter into an agreement with an approved applicant for the REV tax credit containing certain required terms and conditions as well as any other provisions the Department determines appropriate.

D. WHEREAS, the Company seeks REV tax credit assistance for its business development located at 333 South Spruce Street, Manteno, Illinois or additional location(s) in Illinois, the exact address to be identified at a later date (the “Project”), and the Department agrees to award REV tax credit to the Company for the Project subject to the terms and conditions set forth herein.

E. WHEREAS, the Parties acknowledge that the Company intends to carry out the Project, including the ownership or operation of the Project, through one or more of its Affiliates, and the Parties intend to amend this Agreement to include the Affiliates as named parties to the Agreement promptly following their establishment in Illinois.

F. WHEREAS, accordingly, pursuant to Section 45 of the Act, the Parties hereto set forth their agreement containing those provisions as required by the Act and such other provisions as the Parties deem necessary or advisable under the circumstances relative to an award of an REV tax credit to the Company for the Project.

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged and agreed to, the Parties hereto agree as follows.

I. DEFINITIONS

The following definitions shall apply to this Agreement:

- A. “Advanced battery” means a battery that consists of a battery cell that can be integrated into a module, pack or system to be used in energy storage applications, including a battery used in an electric vehicle or the electric grid.
- B. “Advanced battery component” means a component of an advanced battery, including materials, enhancements, enclosures, anodes, cathodes, electrolytes, cells, and other associated technologies that comprise an advanced battery.
- C. “Affiliate” means one or more legal entities that the Company establishes for the purposes of making the Capital Improvements and/or employing New Employees at the Project that (i) is registered and in good standing with the Illinois Secretary of State, (ii) obtains ITR-1 Tax Credit Clearance from the Illinois Department of Revenue demonstrating compliance with Illinois tax laws, (iii) is under common control with, or is controlled by the Company, and (iv) is submitted to the Department to be added as a party to the Agreement within twenty-four (24) months of the last dated signature to this Agreement. As used herein, the term “control” means: (i) the power to vote at least fifty (50%) of the voting power of a legal entity, or (ii) the possession, directly or indirectly, of any other power to direct or cause the direction of the management and policies of such a legal entity, whether through ownership of voting securities, by contract or otherwise.
- D. “Application” means the Company’s application, as amended, to the Department for Credit under the Act.
- E. “Agreement” means this agreement entered into between the Department and the Company under the provisions of Section 45 of the Act.
- F. “Battery raw materials” means the raw and processed form of a mineral, metal, chemical, or other material used in an advanced battery component.
- G. “Battery raw materials refining service provider” means a business that operates a facility that filters, sifts, and treats battery raw materials for use in an advanced battery.
- H. “Battery recycling and reuse manufacturer” means a manufacturer that is primarily engaged in the recovery, retrieval, processing, recycling, or recirculating of battery raw materials for new use in electric vehicle batteries.
- I. “Benchmark Date” means December 31, 2028.
- J. “Capital Improvements” means the binding commitments of the Company made to purchase, renovate, rehabilitate, or construct (including design, engineering, legal and finance costs) permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including, organizational costs, and research and development costs incurred in Illinois that are made between the Effective Date and the Benchmark Date. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the Agreement, and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments. For the avoidance of doubt, (i) costs set forth in Exhibit C which are incurred

in Illinois are included in Capital Improvements, along with other costs that may be normally capitalized under GAAP or the US Internal Revenue Code and (ii) the corporate interest rate prevailing at the time of the application is agreed to be 3.45%.

K. “Certificate of Verification” means the certificate issued by the Department pursuant to Section VI of this Agreement which authorizes the award of the Credit to the Company for a Taxable Year as contemplated by Section 60 of the Act.

L. “Compensation” means taxable wages, salaries, commissions, bonuses, paid holidays and vacation and any other form of remuneration paid to employees for personal services, including health insurance premiums.

M. “Compensation Floor” means, with respect to Full-time Employees, a level of compensation equal to or greater than 120% of the average wage paid to Full-time Employees in a similar position within an occupational group in the county where the project is located, as determined by the Department.

N. “Corporate parent or affiliate” means (i) a Related Member with respect to the Company; or (ii) any person (excluding a natural person) that is under common ownership or control with the Company and which operates in a similar or complimentary line of business as the Company entity and that exercises control over the business of the Company and whose interests are served by the Company.

O. “Credit” means the “REV Illinois Credit” or the “REV Construction Jobs Credit” issued to the Company against its annual liability for Illinois State Income Taxes pursuant to Section II.B, subject to the limitations set forth in Section II.C or otherwise in this Agreement.

P. “Department” means the Department of Commerce and Economic Opportunity.

Q. “Director” means the Director of the Department.

R. “Electric vehicle” means a vehicle that is exclusively powered by and refueled by electricity, including electricity generated through hydrogen fuel cells or solar technology. “Electric vehicle” does not include hybrid electric vehicles, electric bicycles, or extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

S. “Electric Vehicle Manufacturer” means a new or existing manufacturer that is primarily focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicles.

T. “Electric Vehicle Component Parts Manufacturer” means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces parts or accessories used in electric vehicles, as defined in this section, including advanced battery component parts.

U. “Electric Vehicle Power Supply Equipment” means the equipment used specifically for the purpose of delivering electricity to an electric vehicle, including hydrogen fuel cells or solar refueling infrastructure.

V. “Electric Vehicle Power Supply Manufacturer” means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces Electric Vehicle Power Supply Equipment used for the purpose of delivering electricity to an electric vehicle.

W. “Energy Transition Area” means a county with less than 100,000 people or a municipality that contains one or more of the following: (1) a fossil fuel plant that was retired from service or has significant reduced service within 6 years before the time of the application or will be retired or have service significantly reduced within 6 years following the time of the application; or (2) a coal mine that was closed or had operations significantly reduced within 6 years before the time of the application or is anticipated to be closed or have operations significantly reduced within 6 years following the time of the application.

X. “Force Majeure Event” means any event, act, or circumstance that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party’s fault or negligence, and (iv) could not be avoided, by the party who suffers it, by the exercise of commercially reasonable efforts. A Force Majeure Event includes acts of God, natural disasters, war or war threats or hostilities (whether war is declared or not), accidents or vandalism, bank operations suspended or interrupted, insufficient power supply, embargo, blockades, suspension of trade or other trade restrictions imposed by any governmental entity (foreign or domestic), act of civil or military authority, rebellion, fire, explosion, earthquake, acts of terrorism, flood, drought, epidemic or pandemic, requisitioning or other act or order of any governmental entity, inaction or denial of necessary permit by any governmental or regulatory entity, material change in applicable federal law (including the implementation of any new federal law or regulation or new or revised interpretation of any existing federal law or regulation), or a material change in, or the implementation of, state law or regulation that prohibits a Party’s ownership by or affiliation with a designated foreign country, instrumentality or agency thereof.

Y. “Full-time Employee” means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. Annually scheduled periods for inventory or repairs, vacations, holidays and paid time for sick leave, vacation or other leave shall be included in this computation of full-time employment. An individual for whom a W-2 is issued by a professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.

Z. “GAAP” means Generally Accepted Accounting Principles (“GAAP”) in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants (“AICPA”) and

the statements and pronouncements of the Financial Accounting Standards Board (“FASB”), or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, which are in effect at the date of this Agreement. “GAAP consistently applied” means GAAP as used and implemented by the Company applied on a consistent basis during the term of this Agreement.

AA. “Illinois State Income Taxes” means all of the taxes imposed against the Company under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, 35 ILCS 5/101, *et seq.*

BB. “Incremental Income Tax” means the total amount withheld during the Taxable Year from the compensation of New Employees and, if applicable, Retained Employees under Article 7 of the Illinois Income Tax Act arising from employment at the Project.

CC. “Institution of Higher Education” or “Institution” means any accredited public or private university, college, community college, business, technical, or vocational school, or other accredited educational institution offering degrees and instruction beyond the secondary school level.

DD. “Local Workforce Investment Area” means a single county or multiple counties designated by the Governor, which allows for the receipt of an allotment of funds under Sections 127(b) or 132(b) of the Workforce Innovation and Opportunity Act, PL 113 through 128 (2014) (WIOA), with considerations consisting of the extent to which the areas: are consistent with labor market areas in the State; are consistent with regional economic development areas in the State; and have available the federal and non-federal resources necessary to effectively administer activities under subtitle B and applicable provisions of WIOA, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools.

EE. “New Employee” means a Full-time Employee hired on or after the Effective Date, employed to work at the Project site, whose compensation equals or exceeds the Compensation Floor, and whose work is directly related to the REV-eligible activity at the Project.

1. The term “New Employee” does not include:

- a) an employee of the Company who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;
- b) an employee of the Company who was previously employed in Illinois by a Related Member of the Company and whose employment was shifted to the Company after the Company entered into the tax credit Agreement; or
- c) any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the Company or a child,

grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the Company.

2. Notwithstanding the first exclusion of employees from the term “New Employee” in paragraph 1(a), above, an employee may be considered a New Employee under the Agreement if the employee performs a job that was previously performed by an employee who was:

- a) treated under the Agreement as a New Employee; and
- b) promoted by the Company to another position.

3. An employee employed by the Company prior to the Effective Date may be considered a New Employee under the Agreement if the employee fills a job vacancy that (i) is created after the Effective Date of this Agreement; or (ii) had been continuously vacant for the 184-day period immediately preceding the Effective Date of the Agreement. A job vacancy whose incumbent is on approved leave, is locked out or is on strike is not a vacancy.

FF. “Noncompliance Date” means, in the case of a taxpayer that is not complying with the requirements of the Agreement or the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the Agreement and the provisions of this Act, as determined by the Director, pursuant to Section 70.

GG. “Pass-Through Entity” means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

HH. “Payroll” shall mean the total salary and wages to be paid in a Taxable Year to a New Employee and Retained Employee.

II. “Person” means any individual, corporation, partnership, limited liability company, joint venture, association, trust, governmental body or any other entity.

JJ. “Placed in Service” means the state or condition of readiness, availability for a specifically assigned function, and the facility is constructed and ready to conduct its facility operations to manufacture goods.

KK. “Priority Training Program New Employees” means New Employees that are recent (i.e., graduated or received certification within two years prior to being hired by the Company) graduates, certificate holders, or credential recipients from an Institution of Higher Education in Illinois; a Clean Jobs Workforce Network Program; or an apprenticeship and training program located in Illinois and approved by and registered with the U.S. Department of Labor’s Bureau of Apprenticeship and Training.

LL. “Program” means the Reimagining Energy and Vehicles in Illinois Program (the REV Illinois Program) established in the Act.

MM. “Project” or “REV Illinois Project” means the Company’s for-profit economic development activity for the manufacture of electric vehicles, electric vehicle component parts, Electric Vehicle Power Supply Equipment, or Renewable Energy products that is the subject of this Agreement.

NN. “Project Costs” includes cost of the project incurred or to be incurred by the taxpayer including: capital investment, including, but not limited to, equipment, buildings, or land; infrastructure development (including design, engineering, legal and finance costs); debt service, except refinancing of current debt; research and development; job training and education; lease costs or relocation costs, but excludes the value of State incentives, including discretionary tax credits, discretionary job training grants, or the interest savings of below market rate loans.

OO. “Project Labor Agreement” means an agreement that satisfies the provisions of the Illinois Project Labor Agreements Act, 30 ILCS 571/1, *et seq.*, and which is approved by the Department.

PP. “Public Utilities Act” refers to Sections 9-221, 9-222 and 9-222.1 of the Public Utilities Act [220 ILCS 5/9-221, 9-222 and 9-222.1].

QQ. “Recycling Facility” means a location at which the taxpayer disposes of batteries and other component parts in manufacturing of electric vehicles, electric vehicle component parts, or Electric Vehicle Power Supply Equipment.

RR. “Related Member” means a person that, with respect to the Company during any portion of the Taxable Year, is any one of the following:

1. An individual stockholder, if the stockholder and the members of the stockholder’s family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the Company’s outstanding stock.
2. A partnership, estate, trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the Company.
3. A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Company owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation’s outstanding stock.
4. A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the Company.

5. A person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a Related Member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

SS. “Renewable Energy” means energy produced using the materials and sources of energy through which Renewable Energy Resources are generated.

TT. “Renewable Energy Manufacturer” means a manufacturer whose primary function is to manufacture or assemble: (i) equipment, systems, or products used to produce renewable or nuclear energy; (ii) products used for energy conservation, storage, or grid efficiency purposes; or (iii) component parts for that equipment or those systems or products.

UU. “Renewable Energy Resources” has the meaning ascribed to that term in Section 1-10 of the Illinois Power Agency Act.

VV. “Retained Employee” means a Full-time Employee employed by the Company prior to the term of the Agreement who continues to be employed during the term of the Agreement whose job duties are directly related to the Project. The term “Retained Employee” does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the Company or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the Company.

WW. “REV Construction Jobs Credit” means the credit agreed to between the Department and the Company under the Act that is based on the Incremental Income Tax attributable to construction wages paid in connection with construction of the project facilities.

XX. “REV-Eligible Activity” means the provision of battery raw materials refining services or the manufacture of electric vehicles, Renewable Energy, electric vehicle component parts, Renewable Energy component parts, Electric Vehicle Power Supply Equipment, battery recycling and reuse.

YY. “REV Illinois Credit” means the credit agreed to between the Department and the Company under the Act that is based on the Incremental Income Tax attributable to New Employees and, if applicable, Retained Employees, and on training costs for such employees at the Project. [Section 30(b)]

ZZ. “REV Investment Tax Credit” means the credit against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for investment in qualified property Placed in Service at the Project, as authorized by Section 100 of the Act and Section 237 of the Illinois Income Tax Act (35 ILCS 5/237).

AAA. “Rules” means any administrative rules adopted by the Department that govern the program (as of the Effective Date, rules are expected to be codified at 14 Ill. Admin. Code 580.10, *et seq.*).

BBB. “Statewide Baseline” means the total number of Full-time Employees of the Company and any Related Member employed by such entities at the time of application for incentives under this Act, which shall be zero (0) employees.

CCC. “Taxable Year” means any twelve (12) month consecutive accounting period for keeping records and reporting income and expenses. A Taxable Year shall mean a period beginning on January 1 and ending on December 31 if measured on a calendar year, or any other twelve (12) consecutive month period ending on the last day of any month except December. The foregoing does not preclude the Company from seeking a Credit for a short or stub Taxable Year in the event that either: (i) the Company was not in existence for an entire Taxable Year or (ii) the Company changed its accounting period.

DDD. “Training costs” means costs incurred by the Company to upgrade the technological skills of Full-time Employees in Illinois and includes the following: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs. “Training costs” do not include costs associated with travel outside the United States (unless the Company receives prior written approval for the travel by the Director based on a showing of substantial need or other proof the training is not reasonably available within the United States), wages and fringe benefits of employees during periods of training, administrative cost related to Full-time Employees of the Company, or costs which the Company received a tax credit or payment for same training costs for the subject employees under another governmental program.

EEE. “Underserved Area” means a geographic area that meets one or more of the following conditions:

1. the area has a poverty rate of at least 20% according to the latest American Community Survey released by the U.S. Census Bureau;
2. 35% or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey;
3. at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
4. the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determining by the U.S. Department of Labor, for a period of at least two consecutive calendar years preceding the date of the Company’s application for Credit.

II. THE TAX CREDIT AND EXEMPTIONS

A. Award. The Department hereby awards, subject to the terms and conditions of this Agreement, a Credit in the amount and for the duration set forth in Sections II.B through II.D for the Company against (1) its Illinois State Income Taxes imposed for a Taxable Year on or after January 1, 2025, or (2) for any portion of the Credit based on Incremental Income Tax attributable to New or Retained Employees, its obligation to pay over withholding imposed for a Taxable Year on or after January 1, 2025 under Section 704A of the Illinois Income Tax Act (pursuant to Section 686/30(h)).

The Company's election to apply the portion of the Credit based on Incremental Income Tax attributable to New or Retained Employees toward its Income Taxes or withholding obligations is irrevocable and shall be made in the manner prescribed by the Illinois Department of Revenue by January 1, 2025.

If known as of the Effective Date, the Company makes the following election with respect to the portion of the Credit based on Incremental Income Tax attributable to New or Retained Employees. The Credit will be used:

- ☐ to reduce its Illinois State Income Taxes
- ☒ against its obligation to pay over withholding under Section 704A

This Agreement also authorizes the Company to seek the REV Investment Tax Credit for investment in qualified property at the Project. If the Company seeks the REV Investment Tax Credit, the Department will issue it a certificate or other form verifying its eligibility for the REV Investment Tax Credit.

If the Company is seeking a REV Construction Jobs Credit, Department further awards, subject to the terms and conditions of this Agreement, a Credit in the amount and for the duration set forth in Sections II.B through II.D for the Company against its Illinois State Income Taxes imposed for a Taxable Year on or after January 1, 2025 attributable to the construction wages paid in connection with the construction of the project facilities.

B. Amount. The amount of the annual Credit awarded to the Company shall, subject to the limitations contained in Section II.C and otherwise set forth in this Agreement, be equal to the following:

1. The sum of (a) seventy five percent (75%) (or, for projects located in an Underserved Area, one hundred percent (100%)) of the Incremental Income Tax attributable to New Employees, which must be above the Project baseline of zero (0) employees and the Statewide Baseline and (b) ten percent (10%) of the Training Costs of New Employees. The percentage of training costs includable in the Credit calculation may be increased by an additional 15% for training costs associated with Priority Training Program New Employees. The percentage of training costs includable within the calculation of the Credit shall not exceed 25% of the Company's New Employee training costs.

C. The total amount of New Employees for which Credit may be awarded shall not exceed one hundred percent (100%) more than the total New Employees committed for December 31, 2029 under Section IV.C(i) hereof, including as amended, in effect as of the first day of the Taxable Year for which a Credit is sought by the Company. By way of example, if the Company commits to the creation of 50 new full-time jobs under Section IV.C(i), the maximum number of New Employees for the purposes of calculating the Incremental Income Tax and the annual Credit would be 100 New Employees. The Company may request an amendment to increase the minimum number of New Employees committed to under Section IV.C(i) to take effect in a new Taxable Year. Such request shall be submitted within 90 days prior to the end of the Taxable Year for which Credit is sought on such increased commitment. The Department's Agreement to such an amendment shall not be unreasonably withheld so long as the Company is in compliance with the terms of this Agreement.

1. If the Department exercises its discretion to award Credits for Retained Employees as set forth in Section IV.D, then the maximum amount of the annual Credit may be increased by seventy-five percent (75%) (or, for Projects located in an Underserved Area or Energy Transition Area, one hundred percent (100%)) of the Incremental Income Tax attributable to Retained Employees at the Project; provided, however, that, in order to receive the increased benefit contemplated by this subsection II.B(2), the Company must meet or exceed the Statewide Baseline.

For purposes of this Agreement, an employee who replaces a Retained Employee in a substantially similar job shall be considered a Retained Employee. If a Retained Employee job is eliminated and a new job is created, the Company may designate that employee as a Retained Employee rather than a New Employee.

2. If the Company is seeking a REV Construction Jobs Credit, the sum of 50% of the Incremental Income Tax attributable to construction wages paid in connection with the construction of the project facilities, as a jobs credit for workers hired to construct the project. If the Project is in an Underserved Area or an energy transition area, the REV Construction Jobs Credit shall be 75% of the Incremental Income Tax attributable to construction wages paid in connection with the construction of the project facilities.

D. Limitations on Annual Credit. The amount of the annual Credit for a Taxable Year shall not exceed any of the following:

1. the Incremental Income Tax attributable to the Project for that Taxable Year;
2. the Company's Illinois State Income Taxes for that Taxable Year (except for the portion of the Credit, if applicable, applied against the Company's obligation to pay over withholding under Section 704A of the Illinois Income Tax Act);
3. when aggregated with all prior Credits issued to the Company under this Agreement, the total amount of Project Costs incurred by the Company during the

term of this Agreement as of the last day of the Taxable Year for which a Credit is sought by the Company;

4. the total amount of Credits allowed to the Company in all Taxable Years shall not exceed the total amount of Project Costs incurred by the Company during the term of this Agreement; and

5. the Incremental Income Tax attributable to one hundred percent (100%) more than the total New Employees committed to under Section IV.C(i) for December 31, 2029 in effect as of the first day of a Taxable Year for which a Credit is sought by the Company.

E. Duration. Pursuant to Section 40 of the Act, the Credit is eligible for issuance in fifteen (15) consecutive Taxable Years, beginning with the earlier of the Taxable Year for which the Company applies for and is issued the Credit in accordance with Section VI.B of this Agreement or the Taxable Year containing the Benchmark Date (even if the Company has not achieved its commitments in Sections IV.B through IV.D). Upon the conclusion of the initial fifteen (15) Taxable Year duration, Section 40 of the Act allows the Company the option of renewing the Agreement for an additional fifteen (15) year term. By executing this Agreement, assuming the Company remains in good standing and that this Agreement has not been otherwise terminated pursuant to Section III.B(2)-(5), the Agreement will be renewed for an additional fifteen (15) year term, bringing the duration of the Agreement to thirty (30) Taxable Years.

F. Relocation. Notwithstanding anything in this Agreement to the contrary, the Company shall not be entitled to the Credit with respect to any jobs that the Company relocates from one site in Illinois to another site in Illinois as determined by the Department. [20 ILCS 686/35]. Moreover, the Company shall not be entitled to the Credit with respect to any jobs resulting from acquisition, merger or any similar combination with another entity where such jobs existed in Illinois at the time of such acquisition, merger or similar combination.

G. Carryforward. Pursuant to Section 236(b)(4) of the Illinois Income Tax Act, the Company may carryforward any Unused Credit and apply it to its Illinois State Income Taxes imposed in the five (5) Taxable Years following the Taxable Year in which there is Unused Credit so long as the Company is in compliance with the terms and conditions of this Agreement, and subject to the limitations on the total amount of Credits for all Taxable Years, as set forth in Sections IV.B through IV.D.

H. Waiver. To the extent the Department determines a Noncompliance Date on a date that is beyond any deadline for the Illinois Department of Revenue to recapture any claimed Credit, the Company waives any right to assert that any provision in Section 905 of the Illinois Income Tax Act limits the authority of the Illinois Department of Revenue to recapture any claimed Credit.

I. Utility Tax Exemption. The Department shall issue a Certificate of Exemption which shall exempt the Company from the tax imposed by Section 2-4 of the Electricity

Excise Tax Law (35 ILCS 640, et. seq). The Company is also exempt from any additional charges added to the Company's utility bills at the Project site as a pass-on of State utility taxes under Section 9-222 of the Public Utilities Act. The Utility Tax Exemption shall expire 10 years after Company's receipt of the certificate from the Department.

J. Building Materials Exemption. The Department shall issue a Certificate of Exemption which shall exempt the Company from any State or local use tax or retailers' occupation tax on building materials for the construction of the Project facilities. The Building Materials Exemption shall expire 5 years after Company's receipt of the certificate from the Department.

III. TERM OF AGREEMENT

A. Base. This Agreement shall commence upon the Effective Date and shall continue in effect until terminated in accordance with Section III.B, provided that the total number of Taxable Years under this Agreement shall not exceed fifteen (15) years from the date the Project is Placed in Service, as expressed in Section 40 of the Act. However, without any further action by the Company, at the conclusion of the initial fifteen (15) year term, the Agreement will be renewed for an additional fifteen (15) year term, as authorized by Section 40 of the Act and consistent with Section II.B of this Agreement, bringing the total term of the Agreement to thirty (30) years.

B. Termination. This Agreement shall terminate upon any of the following:

1. the expiration of the Credit in accordance with Section II.D;
2. an Event of Default by the Company has occurred pursuant to Section VII and the Department determines to permanently revoke the Company's Credit pursuant to Section IX;
3. the mutual consent of the Company and the Department;
4. the Company's election to terminate the Project and this Agreement; or
5. if at no time during the ten (10) year period beginning on the Effective Date and ending 10 years after the Effective Date has the Company met the investment, job creation, or job retention requirements specified in Section IV. [20 ILCS 686/45(a)(15)].

IV. COMPANY COVENANTS

The Company hereby covenants to do the following:

A. Description of Project. The Company shall complete the Project as a for-profit business located at or near 333 South Spruce Street, Manteno, Illinois, and potentially an additional site in Illinois, and containing substantially the following characteristics:

Gotion will establish its lithium-ion battery cell, module, pack and energy storage system integration manufacturing campus in Manteno, Illinois. Gotion will create 150 Full-Time Employees by the Benchmark Date and 1,651 Full-time Employees by December 31, 2029. The Company or its Affiliate, as applicable, anticipates creating an additional 961 new jobs for a total of 2,612 jobs created for the Project during the term of the Agreement. Gotion, through its own fund or through financing, will invest [REDACTED] by the Benchmark Date and [REDACTED] by December 31, 2029 in Capital Improvements at the Project location. Gotion, through its own fund or through financing, anticipates investing a total [REDACTED] in Capital Improvements at the Project during the term of the Agreement.

B. Investment. The Company or its Affiliate, through its own fund or through financing, will invest [REDACTED] by the Benchmark Date and [REDACTED] by December 31, 2029, in Capital Improvements at the Project location.

C. New Employees. (i) The minimum number of New Employees associated with the Project shall be 150 Full-Time Employees by the Benchmark Date and 1,651 Full-time Employees by December 31, 2029, at the Project site above the Statewide Baseline of 0 existing Full-time Employees; and (ii) the Occupation and Payroll of each New Employee shall be substantially as set forth in the Schedule of New Employees as attached hereto as Exhibit A.

D. Retained Employees. (i) The minimum number of Retained Employees associated with the Project shall be zero (0); and (ii) the Occupation and Payroll of each Retained Employee shall be substantially as set forth in the Schedule of Retained Employees as attached hereto as Exhibit B.

New Employee Wage Standards. For a Full-time Employee to be considered a New Employee, that employee's compensation must be equal to or greater than the Compensation Floor. The initial Compensation Floor for New Employees will be established as of the Effective Date. Using the Standard Occupational Classification ("SOC") Codes (the occupational classification system developed by the Executive Office of the President of the United States, Office of Management and Budget) proposed by the Company for each Full-time Employee, the Department will annually publish county-level information to establish the wage standards applicable to the Project. Beginning on January 1, 2028, and continuing every four years thereafter, the Company shall ensure that the Compensation Floor is in fact 120% of the average wage paid to a full-time employee in a similar position within the same detailed occupation by SOC code in the county where the Project is located. For example, the Company will use the Compensation Floor as of the Effective Date for a New Employee hired on January 1, 2025. On January 1, 2028, the Company shall ensure that employee's Compensation Floor is adjusted to comply with the current county wage at that time. The Compensation Floor will adjust every four years thereafter. To the extent a Full-time Employee position is created that does not correspond to any positions on the Compensation Floor schedule in effect at the time of the employee's hire (or promotion or change in duties), the Company may propose a SOC code for that position and the Compensation Floor will be determined using the applicable county-level

wage data for the corresponding SOC code and remain in effect until the next quadrennial update.

E. Project Start-Up. The Project shall be Placed in Service by the Company, and the requirements of Sections IV.B through IV.D shall be met, by the Benchmark Date. At all times after the Effective Date, upon reasonable notice, the Department shall have the right to inspect the Project and any aspect thereof, including without limitation the plans and specifications, construction and physical plant, equipment, and other attributes of the Project.

F. Maintenance of Operations. The Company shall maintain operations at the Project for a minimum of 15 years (or if the Agreement is renewed in accordance with III.A, for 30 years) beginning on the date the Project is Placed in Service. In addition to any other rights the Department may have under the terms of this Agreement, in the event that the Company discontinues of operations at the Project, such discontinuation may subject the Company to certain statutory provisions, including:

1. Pursuant to Section 45(a)(16) of the Act, if the Company ceases principal operations at the Project during the initial fifteen (15) year term of this Agreement (or if the Agreement is renewed in accordance with III.A, for 30 years) with the intent to permanently shut down those operations in the State of Illinois, all Credits claimed by the Company prior to the date the Company ceases principal operations shall be recaptured from the Company pursuant to the noncompliance provisions set forth in Section IX of this Agreement, the Act, and the Department's rules governing the REV Credit.

G. Project Costs. Simultaneously with the execution of this Agreement, the Company shall disclose to the Department all of the Project Costs which the Company seeks to include for purposes of determining the limitation of the amount of the Credit pursuant to Section 40 of the Act and provide to the Department a Schedule of Project Costs in the form as attached hereto as Exhibit C.

H. Authorizations. The Company upon written request by the Department shall issue any necessary authorization to the appropriate federal, state or local authority for the release of information concerning the Project filed with any governmental agencies, with the information requested to include, but not be limited to, financial reports, tax returns or records relating to the Company or the Project. Documents provided under this paragraph shall be deemed confidential as set forth in Section X.A.

I. Books and Records. For a period of 5 years after the expiration of this Agreement, the Company shall at all times keep proper books of record and accounts of the Project in accordance with GAAP consistently applied with the books, records or papers relating to the Project or this Agreement in the custody or control of the Company open for inspection, audit and copying by the Department upon reasonable notice.

J. Reporting. The Company shall submit progress reports in the format and in the timeframe required by the Department. Reporting shall include:

1. Initial Project Costs and Capital Investment. On or before the date the Project is Placed in Service, the Company shall provide the Department with copies of any and all (i) executed agreements for the purchase of land and/or buildings, for building construction or renovation, and for rental or lease of any real property, and (ii) the Company's certification of Project Costs incurred with respect to the Project.

2. Annual Credit-Related Reporting. For each Taxable Year after the Project is Placed in Service, the Company shall deliver a written report to the Department stating the following: (i) the number of New Employees and Retained Employees for the Taxable Year; (ii) the Incremental Income Tax attributable to the New Employees and Retained Employees; (iii) the Payroll and SOC Code associated with the New Employees and Retained Employees; (iv) the amount of Capital Improvements for the Project; (v) the total Payroll for the Project; (vi) the detail of the total Project Costs for the Project, including the amount of Capital Improvements; (vii) detail of the Training costs for the Taxable Year; (viii) detail of the Company's contractual obligations or other relationship with a Recycling Facility for its operations and its own recycling capabilities, and, if applicable, the percentage of batteries used in electric vehicles recycled in the prior year; and (ix) any other information the Department requests in advance ("Annual Reports").

3. Diversity, Hiring Plan and Sexual Harassment Policy Reporting. By April 15th of each Taxable Year in which the Company claims a Credit, the Company must also submit to the Department the reports required pursuant to Sections 50 and 55 of the Act.

4. Green Building Certification Reporting. Within twenty-four (24) months after the Project is Placed in Service, the Company shall submit a report to the Department certifying that the Project has attained one or more of the green building standards listed under Section 20(e) of the Act.

K. Verification. The Company hereby grants the Department the authority to verify with any appropriate State agencies, including without limitation the Department of Revenue and the Department of Employment Security, any information disclosed by the Company to the Department in connection with the Company's Application, in the Company's reports, or otherwise in connection with this Agreement.

L. Notice to the Department. The Company shall report in writing to the Department any of the following events not more than 30 days after knowledge of the occurrence of such event: (i) the Company makes or receives a proposal for the transfer to a successor taxpayer of its obligation to pay Illinois State Income Taxes; (ii) the number of New Employees falls below the number set forth in Section IV.C(i); (iii) if applicable, the amount of Retained Employees falls below the number set forth in Section IV.D(i); (iv) the Company and its Related Members' total employee headcount in Illinois falls below the baseline set forth in Section IV.C(i); (v) the amount of the Payroll for New Employees falls below the amount set forth in Section IV.C(ii); (vi) if applicable, the amount of the Payroll for Retained Employees falls below the amount set forth in Section IV.D(ii); (vii) the amount of Capital Improvements falls below the amount set forth in Section IV.B; (viii)

the Company intends to no longer maintain operations at the Project; (ix) the Project will not be Placed in Service in the time frame established in Section IV.E; (x) any of the Company's representations and warranties set forth in Section V are no longer true and correct; (xi) the Project is no longer primarily focused on a REV-eligible activity, or, for an Electric Vehicle Power Supply Manufacturer, focused on the manufacture of electric vehicle power supply; or (xii) the Company has defaulted on any of its obligations under any grant, loan or other agreement with the State of Illinois or any governmental entity within the State of Illinois.

M. Legal Compliance. The Company agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances, including all applicable environmental laws, with respect to the Project and this Agreement.

N. Certified Payroll. If the Company is seeking a REV Construction Jobs Credit, the Company shall require its contractor and subcontractor(s) to make a keep, for a period of five years from the date of the last payment made on a contractor or subcontract for the construction of the Project facilities, certified payroll for all laborers and other workers employed by the contractor or subcontractor on the project pursuant to 20 ILCS 686/65. The certified payroll shall be provided by the contractor and/or subcontractor to the Company by the 15th day of each month. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor which avers that:

- 1) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and
- 2) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

O. Project Labor Agreement. If the Company is seeking a REV Construction Jobs Credit, the Company shall require its contractor from whose work the REV Construction Jobs Credit is sought to enter into a Project Labor Agreement that conforms with the Project Labor Agreement Act. The Company shall provide a copy of Project Labor Agreement to the Department for approval.

V. COMPANY REPRESENTATIONS AND WARRANTIES

The Company hereby represents and warrants the following is true and correct and shall remain true and correct at all times during the term of this Agreement:

A. Organization of Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California, and the Company is legally qualified to transact business in Illinois. The Company has full power and authority to own or lease and to operate and use its assets and to carry on its business at the Project. There is no pending or threatened proceeding for the dissolution, liquidation, insolvency, or rehabilitation of the Company.

B. Information Submitted. All of the information the Company has submitted to the Department, including the information contained in or submitted with the Company's

Application, was at the time of delivery of such information and still is and will continue to be true and accurate. All accounts, books, ledgers and other records of the Company have been fully, properly and accurately kept and completed in all material respects, and there are no material inaccuracies or discrepancies of any kind contained therein.

C. Authority to Bind.

1. This Agreement has been duly authorized, executed and delivered by the Company and is the legal, valid and binding obligation of the Company enforceable in accordance with its terms. The signatory for the Company represents that he or she has been duly authorized to execute this Agreement on behalf of the Company.

2. The Company has full power and authority to execute, deliver and perform this Agreement and any ancillary documents and to perform its respective obligations thereunder, and to consummate the transactions contemplated hereby. The Company has taken all actions necessary to authorize the execution and delivery of this Agreement, the performance of its respective obligations hereunder and the consummation of the transactions contemplated hereby.

D. No Violation. The execution and delivery of this Agreement and any ancillary documents, the performance by the Company of its obligations hereunder and the consummation by the Company of the transactions contemplated by this Agreement will not: (i) contravene any provision of the articles of incorporation or bylaws of the Company; (ii) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or court order of any governmental body or of any arbitration award which is either applicable to, binding upon or enforceable against the Company; (iii) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under any other agreement which is applicable to, binding upon or enforceable against the Company; or (iv) require the consent, approval, authorization or permit of, or filing with or notification to, any governmental body, any court or tribunal or any other Person.

E. Governmental Permits. The Company does, or will prior to the date the Project is Placed in Service, own, hold or possess all licenses, franchises, permits, privileges, immunities, approvals and other authorizations from a governmental body which are necessary to entitle it to own or lease, operate and use its assets located at the Project and to carry on and conduct its business at the Project, including, but not limited to, all required permits or licenses from any state or local governmental agencies and any required certifications from local or national boards or agencies indicating that the business of the Project is being conducted lawfully (herein collectively called "Governmental Permits"). The Company has performed its obligations under each Governmental Permit, or will when Governmental Permits are issued, and no event has occurred or condition or state of facts exists which (i) constitutes, or after notice or lapse of time or both, would constitute a breach or default under any such Governmental Permit, or (ii) permits, or after notice or lapse of time or both, would permit revocation or termination of any such Governmental Permit, or which might adversely affect in any material respect the rights of the Company under any such Governmental Permit. No notice of cancellation, of default or of any

dispute concerning any Governmental Permit, or of any event, condition or state of facts described in the preceding sentence, has been received by, or is known to, the Company.

F. No Violation, Litigation or Regulatory Action.

1. The Company has complied in all material respects with all requirements of any laws or court orders, which are applicable to the business and assets of the Project.

2. There are no lawsuits, claims, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against or affecting the Company in respect of the assets or the business of the Project nor, to the knowledge of the Company, is there any basis for any of the same, and there is no lawsuit, suit or proceeding pending in which the Company is the plaintiff or claimant which relates to the business or assets of the Project.

3. There is no action, suit or proceeding pending or, to the knowledge of the Company, threatened which questions the legality or propriety of the transactions contemplated by this Agreement.

4. There have been no charges, complaints or other actions having the effect of initiating judicial or administrative proceedings brought by the State of Illinois or any governmental body within the State of Illinois (including the Federal government) with respect to the Company or its officers or a Corporate Parent or Affiliate that relates to alleged fraud or activity that poses a threat or persistent nuisance to public health, safety, or welfare.

5. The Company, its corporate officers, or Corporate Parent or Affiliate, are not or have not been the subject of any criminal charges or entered into any plea agreement within five (5) years of the Effective Date or during the term of this Agreement, and the Company is not aware of any pending criminal investigations into its operations.

6. The Company would not have Placed in Service the Capital Improvements and created or retained the requisite number of New Employees and Retained Employees without the benefits of the Credit. Proof of this shall include, but is not limited to, correspondence, financial plans and prospectuses, internal memoranda and other written documentation demonstrating the Company would not have taken the actions without the award of the Credit.

7. If the Company has employed a consultant as part of completing its application for the Credit or in otherwise seeking tax credits from the Department, any compensation paid to the consultant shall comply with Section 8 of the Lobbyist Registration Act, 25 ILCS 170/8 (contingent fee prohibition).

G. No Sexual Harassment Allegations or Complaints. To the knowledge of the Company, in the last five (5) years and at all times during the term of this Agreement, there have been no founded allegations of sexual harassment against any individual in that

person's capacity as an officer or senior employee of the Company. A "senior employee" shall mean a person having supervisory responsibility for at least ten (10) employees, and "founded allegation" shall include, but not be limited to a finding by an internal investigative process, an arbitrator or mediator, a governmental entity or tribunal authorized to investigate claims of sexual harassment, or a court of competent jurisdiction.

H. Continuation of REV-Eligible Activity. The Project, and its New and Retained Employees, shall be substantially and directly engaged in the REV-eligible activity.

I. Registered the Self-Assess. The Company will register to self-assess the tax imposed by Section 2-4 of the Electricity Excise Tax Law before applying for the excise tax exemption certificate with the Department.

VI. ISSUANCE AND RETENTION OF CREDIT

A. Initial Issuance. To obtain the Credit for the first Taxable Year, the Company shall do the following on or before 90 days after the end of the first Taxable Year for which a Certificate of Verification is sought:

1. The Company shall notify the Department on the form attached hereto as Exhibit D (or substantially similar to such form) when all of the following has occurred: (a) the Project has been Placed in Service; (b) the Capital Improvements required by Section IV.B have been made; (c) the New Employees have been hired, including satisfying the applicable Payroll, Compensation Floor, and Occupation obligations, as required by Sections IV.C and IV.E; and (d) if applicable, the minimum number of Retained Employees have been retained by the Company, including satisfying the applicable Payroll and Occupations obligations, as required by Section IV.D.

2. The Company shall provide to the Department proof as required by the Department, including but not limited to a certified attestation by the Company, payroll records and an audit performed by an independent, licensed certified public accounting firm, that the Company has done all of the following prior to the end of the first Taxable Year for which a Certification of Verification is sought:

- a) made the Capital Improvements specified in Section IV.B;
- b) hired the New Employees specified in Section IV.C, accompanied by the information substantially in the form set forth in Exhibit E;
- c) if applicable, retained the Retained Employees specified in Sections IV.D, accompanied by the information substantially in the form set forth in Exhibit E;
- d) achieved the level of Payroll in Illinois specified in Section IV.C(ii) and, if applicable, Section IV.D(ii) accompanied by the information substantially in the form set forth in Exhibit E; and

e) paid its New Employees compensation equaling or exceeding the applicable Compensation Floor required by Section IV.D in the form set forth in Exhibit E.

B. Subsequent Issuances. To obtain the Credit for subsequent Taxable Years, the Company shall provide to the Department on or before 45 days after the end of each Taxable Year for which the Company seeks a Credit, such proof as required by the Department, including but not limited to a certified attestation by the Company indicating whether or not the Company has done each of the following:

1. maintained operations at the Project for the entire Taxable Year;
2. maintained the number of New Employees specified in Section IV.C(i), accompanied by the information substantially in the form set forth in Exhibit E;
3. if applicable, retained the Retained Employees specified in Sections IV.D, accompanied by the information substantially in the form set forth in Exhibit E;
4. maintained the Occupations, Payroll, and Compensation Floor of the New Employees specified in Section IV.C(ii) and, if applicable, the Retained Employees specified in Section IV.D(ii), accompanied by the information substantially in the form set forth in Exhibit E; and
5. remained in compliance with the terms and conditions of this Agreement.

C. Certificate of Verification. Within 60 days after the Department's receipt from the Company of the items described in Section VI.A or VI.B and any other materials reasonably requested by the Department, and so long as the Company is in compliance with the terms and conditions of this Agreement at the time of issuance of the Certificate of Verification, the Department shall provide the Company with a Certificate of Verification which indicates the amount of the Credit issued to the Company and the Taxable Year for which the Credit was issued. In the event that the Company fails to submit the reports required by Sections 50 and 55 of the Act, the Company may not receive a Certificate of Verification under Section VI.A or VI.B unless, and until, such reports are submitted to the Department.

D. Department of Revenue. The Company shall submit to the Illinois Department of Revenue a copy of the Director's Certificate of Verification for each Taxable Year that the Company claims the Credit, provided that the failure to submit a copy of the Certificate with the Company's annual return filed for Illinois State Income Taxes shall not invalidate a claim for a Credit.

VII. EVENTS OF DEFAULT BY THE COMPANY

Any one or more of the following occurrences shall constitute an Event of Default by the Company under this Agreement:

- A. The Company's violation of or noncompliance with any of its covenants set forth in Section IV.
- B. Any of the Company's representations and warranties set forth in Section V or otherwise herein or in the Company's Applications or submissions to the Department was at the time of execution of this Agreement, or is at any time during the term of this Agreement, false or misleading in any material respect.
- C. The Company's breach of any other terms or conditions of this Agreement.
- D. The Company's default under any other grant, loan or other agreement with the State of Illinois or any governmental entity in the State of Illinois.
- E. The institution of any bankruptcy, foreclosure, receivership, assignment for the benefit of creditors or any other proceedings indicating that the Company may be insolvent or unable to continue as a going concern.

VIII. FORCE MAJEURE

Notwithstanding anything to the contrary in this Agreement, the Company shall have no liability under this Agreement for any failure or delay in fulfilling any obligation under this Agreement, if that failure or delay is attributable to, or arises from, any Force Majeure Event. The Parties agree that within 30 days following the date of commencement of a Force Majeure Event, the Company will notify the Department of the nature of the Force Majeure Event and of its effect upon the performance of the Party's obligations under this Agreement. The Company will at all times take all commercially reasonable steps to: (a) mitigate the effect of any Force Majeure Event to the extent such mitigation efforts are within the Company's reasonable control; and (b) comply with other obligations of this Agreement not affected by the Force Majeure Event. The Parties will consult together in relation to the above matters following the occurrence of a Force Majeure Event. Should the Company be unable to comply with all or a material part of its obligations under this Agreement due to any Force Majeure Event for more than three hundred sixty-five (365) days following the commencement of the Force Majeure Event, then either party may terminate this Agreement upon written notice to the other Party. Upon such termination, neither Party will have any further obligations to the other Party under this Agreement except for the obligations set forth in Section IV.J and IV.K. Furthermore, neither Party will have any liability for any losses or damages of any nature incurred or suffered under this Agreement as a result of such termination.

IX. REVOCATION AND SUSPENSION OF CREDIT AND EXEMPTIONS

- A. Once the Project has been Placed in Service, if the number of New Employees or Retained Employees is less than the minimum number set forth in Sections IV.C and IV.D, the allowance of the Credit and Exemptions shall be automatically suspended and the Company will be ineligible to receive any Certificate of Verification until the number of New Employees and Retained Employees equals or exceeds the number set forth in Sections IV.C and IV.D. In the event of automatic suspension under this Section IX.A, the Department shall notify the Illinois Department of Revenue of such automatic suspension

as well as the effective date of such suspension. An automatic suspension will be lifted upon a showing by the Company that it has returned to compliance with the minimum employment levels in Sections IV.C and IV.D, and the Department shall notify the Illinois Department of Revenue of the lifting of an automatic suspension.

B. Subject to Section IX.A, if there is an Event of Default by the Company under Section VII, the Director shall provide written notice to the Company of the alleged Event of Default and allow the Company an opportunity to request a hearing under the provisions of the APA. If, after notice and any hearing, the Director determines that an Event of Default exists, the Company shall have 60 days to cure the Event of Default, failing which, the Director shall issue to the Illinois Department of Revenue notice to that effect, stating the Noncompliance Date pursuant to Section 70 of the Act. If the Company does not request a hearing or the Event of Default cannot be cured, the Department is not obligated to provide the Company with an opportunity to cure the Event of Default.

C. The Department shall notify the Company in writing that it is subject to revocation or suspension. Such notice shall include the reason for revocation or suspension, except in the case of an uncontested automatic suspension, and inform the Company of the opportunity to request a hearing. The hearing will be commenced within thirty (30) days of the Company's submission of a petition for hearing in accordance with 56 Ill. Admin. Code 2605.80, unless otherwise stipulated by the Parties.

D. Following revocation or suspension, the Department shall contact the Director of the Illinois Department of Revenue who shall bring proceedings against the Company to recapture any claimed Credit as well as all monies exempted pursuant to the utility exemption listed in II.I.

X. CONFIDENTIALITY

A. Generally. Any documentary materials or data made available or received by the Department or any agent or employee of the Department shall, for the purposes of the Illinois Freedom of Information Act, 5 ILCS 140/1, *et seq.*, be deemed confidential and shall not be deemed public records to the extent that the materials or data consists of trade secrets, or confidential proprietary commercial or financial information, the disclosure of which would cause competitive harm to the Company. [5 ILCS 140/7(1)(g)]

1. Each party agrees, to the extent permissible by law, that it will treat in confidence all documents, materials and other information which it shall have obtained regarding the other party during the course of the negotiations leading to the consummation of the transactions contemplated hereby, the investigation provided for herein and the preparation of this Agreement and other related documents (whether obtained before or after the date of this Agreement).

2. Such documents, materials and information shall not be communicated to any third Person (other than counsel, accountants, officers or advisors of the parties, or other governmental agencies as part of the Department's administration of the REV program); *provided, however*, that the obligation of each party to treat such

documents, materials and other information in confidence shall not apply to any information which: (i) is or becomes available to such party from a source other than such party; (ii) is or becomes available to the public other than as a result of disclosure by such party or its agents; (iii) is required to be disclosed under applicable law or judicial process, but only to the extent it must be disclosed; or (iv) such party reasonably deems necessary to disclose to obtain any of the consents or approvals contemplated hereby.

B. Public Access to this Agreement.

1. Notwithstanding anything in this Agreement to the contrary, this Agreement (except for the signatories' signatures and, to the extent not known to the public, the Company's planned Capital Improvements and Project Costs and any wage or compensation information reflected in any of the Exhibits, hereafter collectively referred to as "Confidential Information") is considered a public record for the purposes of the Illinois Freedom of Information Act. The Department, in furtherance of its commitment to transparency and in compliance with Section 45 of the Act, will make this Agreement accessible via the Department's public website, with any references to the Confidential Information redacted, as early as two (2) business days following the last dated signature to this Agreement.

2. The Department may also make portions of reports submitted pursuant to Section VI and any Certificates of Verification available to the public, with Confidential Information redacted.

XI. INDEMNIFICATION

A. Generally. The Company agrees to indemnify, defend and hold harmless the State of Illinois, the Department, the Illinois Department of Revenue and their agents, officers and employees (the "Indemnitees") from any and all damages, losses, expenses, and liabilities arising from third party claims and suits, including court costs, reasonable attorneys' fees and other expenses, caused by any act or omission of the Company and/or its subcontractors, agents, officers and employees, including any reasonable attorneys' fees and costs incurred by the Department as a result of the Company's breach or alleged breach of any of the provisions of this Agreement. The Indemnitees shall not provide any indemnification to the Company.

B. Notice of Claims. If the Indemnitees (collectively or individually, the "Indemnified Party") seek indemnification hereunder, notice shall be given to the Company (the "Indemnitor") within fifteen (15) days after the Indemnified Party receives notice of a claim that might be subject to indemnification hereunder (a "Claim Notice"), describing in reasonable detail the facts giving rise to any claim for indemnification hereunder and shall include in such Claim Notice (if then known) the amount or the method of computation of the amount of such claim, and a reference to the provision of this Agreement or any agreement, document or instrument executed pursuant hereto or in connection herewith upon which such claim is based; *provided, however*, that failure to give such notice shall

not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been prejudiced by such failure.

C. Amount of Indemnification. After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which the Indemnified Party shall be entitled shall be determined by a final judgment or decree of any court of competent jurisdiction. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of indemnified damages suffered.

D. Defense of Claims.

1. The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of any claim against the Indemnified Party.

2. If after receiving the Claim Notice from the Indemnified Party, the Indemnitor shall elect not to undertake such defense, or within a reasonable time after receiving the Claim Notice from the Indemnified Party, shall fail to defend, as required by Section XI, the Indemnified Party (upon further written notice to the Indemnitor) shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor (subject to the right of the Indemnitor to assume defense of such claim at any time prior to settlement, compromise or final determination thereof) at Indemnitor's expense.

3. Anything in this Section XI to the contrary notwithstanding: (a) the Indemnified Party shall have the right, at its own cost and expense, to have its own counsel to protect its own interests and participate in the defense, compromise or settlement of the claim; (b) the Indemnitor and the Indemnified Party shall not, without the written consent of the other, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnitor of a release from all liability in respect of such claim; (c) the Indemnified Party, by counsel or other representatives of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such Claim, and (d) the Indemnitor and the Indemnified Party and their respective counsel shall cooperate with respect to such Claim.

XII. DIVERSITY REPORTING; NON-DISCRIMINATION

A. Reporting. Pursuant to the requirements of Section 50 of the Act, the Company shall submit diversity and hiring plan progress reports in the format provided by Department. The first such report shall be due April 15, 2025, and subsequent reports shall be due by April 15 of each subsequent year during the term of the Agreement. The report shall include detail about the Company's progress in implementing its hiring plan and

include information about the diversity of the Company's workforce at the Project, including full-time and part-time employees, its contractors, as well as the diversity of the Company's board of directors. The report shall also include a report on the diversity of the vendors used by the Company within the State of Illinois, for publication on the Department's website, with such report containing the information listed in Section 50(b) of the Act. These reporting requirements shall not apply for any year in which the Company globally employs fewer than one hundred (100) Full-time Employees. If the Company is delinquent in submitting its report, the Department will not issue a Certificate of Verification to the Company until it has submitted the required report.

B. Non-Discrimination. The Company shall comply with all applicable provisions of State and Federal constitutions, laws, regulations and judicial orders pertaining to nondiscrimination and equal employment opportunity including but not limited to:

1. the Illinois Human Rights Act, as now or hereafter amended (775 ILCS 5/1-101, et seq.); and
2. Article VI of the regulations of the Illinois Department of Human Rights (44 Ill. Admin. Code, Ch. 10, Part 750, et seq.), including the Equal Employment Opportunity Clause, which clause is hereby incorporated by reference, as published at Title 44, Chapter 10, Section 750.10 and Appendix A thereto in the Illinois Administrative Code.

XIII. SEXUAL HARASSMENT POLICIES AND REPORTS

A. The Company shall have within sixty (60) days of the Effective Date, written sexual harassment policies that shall include, at a minimum, the following information: (a) the illegality of sexual harassment; (b) the definition of sexual harassment under applicable law; (c) a description of sexual harassment, utilizing examples; (d) the Company's internal complaint process including penalties; (e) the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission; (f) direction on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission; and (g) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act.

B. A copy of the policies described in Section XIII.A shall be provided to the Department upon request.

C. By April 15th of each Taxable Year in which the Company claims a Credit, the Company must submit to the Department the report detailing the Company's sexual harassment policy as required by Section 55 of the Act. If the Company is delinquent in submitting its report, the Department will not issue a Certificate of Verification to the Company until it has submitted the required report.

XIV. ADA COMPLIANCE

A. The Americans with Disabilities Act (42 U.S.C. § 12101, *et seq.*) and the regulations thereunder (28 C.F.R. § 35.130) ("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 of receiving this Agreement, the Company certifies that services, programs, and activities provided under this Agreement are and will continue to be in compliance with the ADA.

B. The Company further certifies that all facilities utilized by the Company in the performance of this Agreement comply with State accessibility laws.

XV. INTERNATIONAL ANTI-BOYCOTT CERTIFICATION

By signing this Agreement, the Company certifies that neither the Company nor any substantially-owned affiliate of the Company is participating or will participate in an international boycott pursuant to the International Anti-Boycott Certification Act, 30 ILCS 582/1, *et seq.*

XVI. STATE OF ILLINOIS DRUG-FREE WORKPLACE CERTIFICATION

The Company certifies and agrees that it shall comply with the requirements of the Drug-Free Workplace Act (“DFWA”), 30 ILCS 580/1, *et seq.*, effective January 1, 1992, and provide a drug-free workplace in and at the Project by doing all of the following:

A. Publication. The Company shall publish in a prominent place in the workplace and provide to all of its employees a statement notifying its employees as follows: (i) that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the Company’s workplace; (ii) the specific actions that will be taken against employees for violations of such prohibition; and (iii) that as a condition of continued employment the employee will (a) abide by the terms of the statement, and (b) notify the Company of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

B. Program. The Company shall establish a drug-free awareness program to inform its employees of: (i) the dangers of drug abuse in the workplace; (ii) the Company’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 abuse violations occurring in the workplace.

C. Notice. The Company shall notify the Department in writing within ten (10) days after (i) receiving notice from an employee that he or she has a criminal drug statute conviction for a violation occurring in the workplace, or (ii) otherwise receiving actual notice of such conviction.

D. Sanctions. The Company shall impose the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (i) take appropriate personnel action against the employee, up to and including termination; (ii) require such employee to satisfactorily participate in a drug use assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; or (iii) require other acts or conduct that may be required by Section 5 of the DFWA.

E. Good Faith. The Company shall make a good faith effort to maintain a drug-free workplace through the implementation of Sections XV.A through E herein.

F. Assistance. The Company shall assist employees in selecting a course of action in the event drug counseling, treatment or rehabilitation is required and shall indicate that a trained referral team is in place.

G. False Certifications. False certification or violation of any of the certifications given under this Section 15 shall result in termination of this Agreement and suspension of the Credit, and may also result in sanctions including, but not limited to, debarment of the Company from doing further business with the State or any agency thereof, including the Department, for up to three (3) years.

XVII. NOTICE TO PARTIES

Whenever any notice, statement or other communications shall be sent to the Department, the Illinois Department of Revenue or the Company, it shall be sent to the following address, unless otherwise specifically advised.

A. Notices to the Department shall be sent to:

Illinois Department of Commerce & Economic Opportunity
Attn: REV Program Manager
555 West Monroe, 12th Floor
Chicago, Illinois 60661
CEO.REV@Illinois.gov

B. Notices to the Illinois Department of Revenue shall be sent to:

Illinois Department of Revenue
Attn: Michael Dixon, Manager, Business Processing Division
101 West Jefferson Street
Springfield, Illinois 62702
michael.dixon@illinois.gov

C. Notices to Company shall be sent to:

Mr. Chen Li
President, Gotion, Inc.
48660 Kato Road
Fremont, CA 94538
chen.li@gotion.com

Di Zhang
Senior Legal Director, Gotion, Inc.
48660 Kato Road
Fremont, CA 94538
d.zhang2@gotion.com

With a copy to Company's counsel:

David D. Streicker, Polsinelli P.C.
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606
dstreicker@polsinelli.com

XVIII. FURTHER ASSURANCES

The Company hereby agrees to execute and deliver such additional instruments and other documents and to take such further actions as may be necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby; provided such instruments, documents and actions do not increase the Company's financial risks, general obligations or liabilities, or reveal confidential or proprietary information. The Company hereby agrees to cooperate in the preparation and filing of all forms, notifications, reports and information (if any) required or reasonably deemed advisable pursuant to any law, rule or regulation and to use its reasonable efforts to agree on a method to overcome any objections by any governmental body to any such transactions, so long as it does not cause such party to incur additional costs other than legal fees or increase the Company's obligations or reveal confidential or proprietary information of the Company. The Company agrees to use its best efforts to obtain the authorizations required to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby.

XIX. MISCELLANEOUS

- A. Notwithstanding the Parties' acknowledgement that this Agreement may be assigned to an Affiliate, the Company shall not assign the whole or any part of this Agreement without the Department's prior written consent, which shall not be unreasonably withheld, delayed or conditioned.
- B. No delay or omission of the Department in exercising any right or remedy available under this Agreement shall impair any such right or remedy or constitute a waiver of any default or an acquiescence thereto.
- C. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, notwithstanding its choice of law rules to the contrary or any other state's choice of law rules and suit, if any, must be brought in the State of Illinois.
- D. This Agreement and the Exhibits and Schedules referred to herein and the documents delivered pursuant hereto contain the entire understanding of the parties hereto with regard this Agreement, and supersede all prior agreements, understandings or letters of intent between or among any of the parties related to the matters herein. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by an authorized representative of each of the Parties hereto.
- E. Terms not otherwise defined in this Agreement shall have the meanings set forth in Section 10 of the Act and, once adopted Section 580.20 of the Rules.

F. In the event the Department verifies with a State agency the amounts reported to the Department under Section IV.I, the Department shall issue a written statement to the Company stating the amounts have been verified.

G. If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby.

H. This Agreement is for the sole benefit of the Parties hereto and their heirs, executors, legal representatives, successors and assigns, and shall not be construed to confer any rights on any other Person.

I. This Agreement may be executed in counterparts, each of which shall be deemed an original and all which taken together shall constitute one and the same instrument.

[Signatures on the following page]

* * *

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this Agreement on the Effective Date set forth above.

**Chen Li, President
Gotion, Inc.
48660 Kato Road
Fremont, CA 94538**

B

Its: President

Date: 9/7/2023

**THE STATE OF ILLINOIS, ACTING
BY AND THROUGH ITS
DEPARTMENT OF COMMERCE
AND**

By: _____

Its: Director

Date: 9/7/2023

EXHIBIT A**NEW EMPLOYEES**

Number of New Employees for Phase I (by December 31, 2029)	1,651
Number of New Employees for Phase I and II	2,612
Position Distribution	
General Manager	1
Financial director	1
Management director	2
Manufacturing director	1
Manufacturing Manager	5
Section chief	9
Manufacturing clerk	9
Lean staff	9
Equipment Manager	5
Equipment management	21
Utilities equip. Supervisor	21
Utilities equip. staff	21
Public equip. staff	21
Spare part	21
Technical Manager	6
Technical engineer	20
Data statistician	20
Quality Manager	8
Quality Assurance engineer	14
Quality engineer	14
Supplier Quality engineer	14
Incoming inspection	14
Outgoing inspection	14
Metrological Engineer	14
Planning Manager	6
Purchasing Manager	6
Production plan staff	8
Warehouse Manager	4
Warehouse management	7
Logistics manager	4
Logistics staff	7
material delivery	7
Shipping management	4
Accounts clerk	7
IT Chief	1

IT staff	1
MES staff	2
Finance supervisor	1
Chief accountant	1
Cost accountant	1
HR supervisor	1
HR staff	2
EHS staff	1
Pack MFG	560
Cell MFG	1696

EXHIBIT B
RETAINED EMPLOYEES

None.

EXHIBIT C
PROJECT COSTS

Investment – Phase I <i>(by December 31, 2029)</i>			
Investment – Phase I and II			
Total Investment			
Category	Amount		
Real Estate	\$		
Machinery	\$		
Building & Structure	\$		
Total	\$		

ATTACHMENT
EXHIBIT D

ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

REPORT OF JOB CREATION/RETENTION AND
CAPITAL IMPROVEMENTS EXPENDITURES

Name of Business _____

Project Location _____

Date _____

Exhibit D Preparer Contact Information:

Name _____

Email _____

Phone _____

Job-Creation/Retention

According to our Tax Credit Agreement dated _____, _____ jobs were to be created, _____ jobs were to be retained by the following date: _____ (All capitalized terms herein shall have the same meanings as set forth in the Tax Credit Agreement.) Please complete the following with respect to the Project:

- The number of New Employees hired for the Project as of the last day of the Taxable Year for which the Company is hereby seeking the Credit (provided that any New Employees hired after the Effective Date of the Tax Credit Agreement shall be included in the number reported for the first Taxable Year for which the Company is seeking the Credit).
- The number of Retained Employees retained for the Project as of the last day of the Taxable Year for which the Company is hereby seeking the Credit.
- The amount of Training Costs as of the last day of the Taxable Year for which the Company is hereby seeking the Credit (provided that any Training Costs incurred after the Effective Date of the Tax Credit Agreement shall be included in the amount reported for the first Taxable Year for which the Company is seeking the Credit).
- The amount of Capital Improvements made for the Project as of the last day of the Taxable Year for which the Company is hereby seeking the Credit.
- The amount of Total Project Costs as of the last day of the Taxable Year for which the Company is hereby seeking the Credit.
- The amount of the Payroll for the Project as of the last day of the Taxable Year for which the Company is hereby seeking the Credit.

Project Baseline/Statewide Baseline

- According to our Tax Credit Agreement dated _____, _____ jobs were to be maintained at the Project.
- According to our Tax Credit Agreement dated _____, _____ jobs were to be maintained among all Related Member locations in Illinois.

(All capitalized terms herein shall have the same meanings as set forth in the Tax Credit Agreement.)

If your company has not met the above requirements, please attach a written explanation as to why, what steps you are taking to correct this, and a target date as to when these requirements will be met.

Thank you in advance for your prompt attention to this matter and remember to keep a copy for your records.

As of the date this report is submitted to the Department, the Company remains in compliance with all terms of the Agreement, and to the best of my knowledge and belief, the information and statements set forth above are true and correct.

Signature of Authorized Official

Date Signed

Name _____ Title _____

IMPORTANT! You must submit a Workforce and Vendor Diversity and Sexual Harassment Policy reports by April 15. Failure to do so may result in suspension of your credit.

ATTACHMENT
EXHIBIT E

[Reporting support spreadsheet]

RESOLUTION 2023 -0912-GP09

**RESOLUTION APPROVING CHANGES TO
CREDIT CRITERIA AND APPROVING FEE
SCHEDULE FOR CERTAIN TYPES OF BONDS**

WHEREAS, on December 8, 2009, the Members of the Illinois Finance Authority (the “Authority”) approved Resolution 2009-12-16 establishing credit criteria (the “Credit Criteria”) of the Authority; and

WHEREAS, the Credit Criteria has not been updated since its implementation in 2009 and is no longer reflective of Authority’s practices nor consistent with the Authority’s Bond Handbook; and

WHEREAS, the Authority has determined that it advances the purposes of the Authority under the Illinois Finance Authority Act, 20 ILCS 3501-801-1 et. seq., as amended (the “Act”) to rescind the Credit Criteria; and

WHEREAS, the Authority has determined that it should continue to delegate to its Executive Director, Authorized Officers, and/or/her/his/their designees authorization to take all necessary actions to apply credit criteria consistent with the purposes of the Authority under the Act; and

WHEREAS, the Authority sets fee schedules from time to time in connection with the issuance of bonds, notes, and other evidence of indebtedness; and

WHEREAS, the Authority wishes to approve the fee schedule attached as Exhibit A to this Resolution to be applicable to Solid Waste Disposal Facilities Revenue Bonds and Industrial Development Revenue Bonds; and

Whereas the Members of the Authority have the power to approve this Resolution pursuant to the Act; and

NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Rescind Credit Criteria. The Authority does hereby rescind the Credit Criteria.

Section 3. Delegation of Authority. The Executive Director, Authorized Officers, and/or/her/his/their designees, are hereby directed to take any actions consistent with this Resolution and the Act, including related to application of credit considerations criteria with respect to financings considered by the Authority.

Section 4. The Authority's Fee Schedule. The fee schedule attached to this Resolution as Exhibit A, is hereby approved in all respects, effective as of today.

Section 5. Enactment. This Resolution shall take effect immediately.

Section 6. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Approved and effective this 12th day of September, 2023 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

VIII. PRESENTATION AND CONSIDERATION OF FINANCIAL REPORTS AND REPORT ON THE CLIMATE BANK PLAN

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

To: Members of the Illinois Finance Authority

From: Ximena Granda, Manager of Finance and Administration

Date: September 12, 2023

Re: Presentation of Forecast Revenues, Expenses and Net Income through August 31, 2023
*All information is **preliminary and unaudited**.*

General Operating Fund Revenues, Expenses and Net Income

- a. **Annual Operating Revenues** of \$854 thousand are \$54 thousand or 6.8% higher than budget, primarily due to net investment income position. Annual closing fees of \$288 thousand are \$5 thousand or 1.8% lower than budget. Annual servicing fees (e.g., fees for outstanding bonds of the former Education Facilities Authority, outstanding bonds on behalf of Illinois Environmental Protection Agency (“IEPA”), loan guarantees, etc.) of \$29 thousand are \$1 thousand higher than budget. Annual administrative service fees (e.g., document amendments, host TEFRA hearings, etc.) of \$27 thousand are \$3 thousand lower than budget. Annual application fees of \$3 thousand are \$2 thousand dollars lower than budget. Accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$50 thousand (which has represented a declining asset since 2014). Net investment income position of \$457 thousand is \$124 thousand higher than budget (this increase in net investment position reflects a \$225 thousand mark-to-market, non-cash increase in investments).
- b. In **August**, the Authority posted closing fees of \$183 thousand, which was \$36 thousand higher than the monthly budgeted amount of \$147 thousand.
- c. **Annual Operating Expenses** of \$624 thousand are \$129 thousand or 17.2% lower than budget, primarily due to employee-related expenses and professional services expenses. Annual employee-related expenses of \$301 thousand are \$75 thousand or 20.1% lower than budget, primarily due to staff vacancies. Annual professional services expenses of \$250 thousand are \$40 thousand or 13.7% lower than budget. Annual occupancy costs of \$29 thousand are 6.2% lower than budget. Annual general and administrative costs of \$43 thousand are 17.2% lower than budget. Annual depreciation expense totals \$770 dollars.
- d. In **August**, the Authority posted operating expenses of \$352 thousand, which was \$25 thousand lower than the monthly budgeted amount of \$377 thousand. Expenses for Professional Services were slightly higher than the previous month due to the accrual of consulting services for Climate Bank activities.
- e. In **August**, the Authority posted Net Income of \$84 thousand in the General Fund, primarily due to the net investment income position.
- f. **Annual Net Income** of \$230 thousand was due primarily due to the net investment income position.

General Operating Fund - Assets, Liabilities and Net Position

In the General Fund, the Authority continues to maintain a net position of \$59.3 million as of August 31, 2023. Total assets in the General Fund are \$61.9 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$48.4 million (with \$1.8 million in cash). Notes receivable from former Illinois Rural Bond Bank (“IRBB”) local governments total \$4.3 million. Participation Loans, Natural Gas Loan Program, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are \$7.0 million. In **August**, the Authority collected \$105 thousand in interest from outstanding Illinois Rural Bond Bank loans and \$86 thousand in principal and interest from outstanding Natural Gas loans.

Projections - General Operating Fund

The Authority currently estimates closing five project financings with an estimated fee total of \$1 million, 15 thousand dollars in the next couple months.

The Authority is also anticipating closing a \$10 million loan funded with available treasury funds, and the principal amount of the loan represents a sizable portion of the Authority’s available treasury funds that support current and future day-to-day operations. For Fiscal Year 2024, the Authority budgeted \$2 million in investment income and, with such investment income, Authority management was able to balance the Fiscal Year 2024 budget. If the Authority approves moving forward with this \$10 million loan, it is currently estimated that the Authority will lose approximately \$438 thousand dollars in investment income from the liquidated securities (see investment analysis worksheet attached).

All Funds - Assets, Liabilities and Net Position

The Assets, Liabilities and Net Position for all other funds are not available.

Authority Audits and Regulatory Updates

The Fiscal Year 2022 Financial Audit Examination and the Two-Year Compliance Examination for Fiscal Year 2022 and Fiscal Year 2023 are in progress.

Other Supplementary Financial Information

The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2024 Bonds Issued and the Schedule of Debt will not be available until further notice.

A PACE Project and financing summary that closed on September 1, 2023, is further attached as supplemental information.

Recommendation

Staff recommends approval.



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
 GENERAL OPERATING FUND
 THROUGH AUGUST 31, 2023
 (PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	YEAR TO DATE ACTUAL	FY 2024 BUDGET	BUDGET VARIANCE TO YEAR TO DATE ACTUAL	BUDGET VARIANCE (%)
Operating Revenues:							
Closing Fees	\$ 105,000	\$ 183,000		\$ 288,000	\$ 293,334	\$ (5,334)	-1.8%
Annual Fees	14,000	14,540		\$ 28,540	27,834	706	2.5%
Administrative Service Fees	25,031	2,000		\$ 27,031	30,000	(2,969)	-9.9%
Application Fees	2,600	100		\$ 2,700	5,000	(2,300)	-46.0%
Miscellaneous Fees	86	107		\$ 193	84	109	0.0%
Interest Income-Loans	24,183	25,537		\$ 49,720	41,666	8,054	19.3%
Other Revenue	65	64		129	67,792	(67,663)	-99.8%
Total Operating Revenue:	\$ 170,965	\$ 225,348	\$ -	\$ 396,313	\$ 465,710	\$ (69,397)	-14.9%
Operating Expenses:							
Employee Related Expense	\$ 137,077	\$ 163,532		\$ 300,609	\$ 376,180	\$ (75,571)	-20.1%
Professional Services	98,817	151,259		\$ 250,076	289,828	(39,752)	-13.7%
Occupancy Costs	13,869	14,985		\$ 28,854	30,750	(1,896)	-6.2%
General & Administrative	21,480	21,979		\$ 43,459	52,500	(9,041)	-17.2%
Depreciation and Amortization	385	385		770	4,000	(3,230)	-80.8%
Total Operating Expense	\$ 271,628	\$ 352,140	\$ -	\$ 623,768	\$ 753,258	\$ (129,490)	-17.2%
Operating Income(Loss)	\$ (100,663)	\$ (126,792)	\$ -	\$ (227,455)	\$ (287,548)	\$ 60,093	20.9%
Nonoperating Revenues (Expenses):							
Miscellaneous Non-Operatg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -		\$ -	n/a
Bad Debt Adjustments (Expense)	-	-		-	-	-	0.0%
Interest and Investment Income	124,973	112,361		237,334	333,334	(96,000)	-28.8%
Realized Gain (Loss) on Sale of Invests	(7,868)	2,760		(5,108)	-	(5,108)	n/a
Mark-to-Market Fair Value Adj - (Appr-Dep)	128,956	96,022		224,978	-	224,978	n/a
Total Nonoperating Rev (Exp)	\$ 246,061	\$ 211,143	\$ -	\$ 457,204	\$ 333,334	\$ 123,870	37.2%
Net Income (Loss) Before Transfers	\$ 145,398	\$ 84,351	\$ -	\$ 229,749	\$ 45,786	\$ 183,963	n/a
Transfers:							
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
Transfers out to other funds	-	-	-	-	-	-	0.0%
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Income (Loss)	\$ 145,398	\$ 84,351	\$ -	\$ 229,749	\$ 45,786	\$ 183,963	n/a



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
8/31/2023

(PRELIMINARY AND UNAUDITED)

**GENERAL
FUND**

Assets and Deferred Outflows:

Current Assets Unrestricted:

Cash & cash equivalents	1,874,947
Investments	39,775,698
Accounts receivable, Net	31,370
Loans receivables, Net	3,395,074
Accrued interest receivable	431,041
Bonds and notes receivable	572,300
Due from other funds	1,493,776
Prepaid Expenses	267,654
Total Current Unrestricted Assets	\$ 47,841,860

Restricted:

Cash & Cash Equivalents	\$ -
Investments	-
Total Current Restricted Assets	\$ -
Total Current Assets	\$ 47,841,860

Non-current Assets:

Unrestricted:

Investments	\$ 6,788,134
Loans receivables, Net	3,566,787
Bonds and notes receivable	3,684,547
Due from other local government agencies	-
Total Noncurrent Unrestricted Assets	\$ 14,039,468

Restricted:

Cash & Cash Equivalents	\$ -
Investments	-
Bonds and notes receivable from State component units	-
Total Noncurrent Restricted Assets	\$ -

Capital Assets

Capital Assets	\$ 921,723
Accumulated Depreciation	(890,336)
Total Capital Assets	\$ 31,387

Total Noncurrent Assets	\$ 14,070,855
--------------------------------	----------------------

Total Assets	\$ 61,912,715
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DEFERRED OUTFLOWS OF RESOURCES:

Deferred loss on debt refunding	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -

Total Assets & Deferred Inflows of Resources	\$ 61,912,715
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ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
8/31/2023

(PRELIMINARY AND UNAUDITED)

**GENERAL
FUND**

Liabilities:

Current Liabilities:

Payable from unrestricted current assets:	\$ -
Accounts payable	56,589
Payables from pending investment purchases	211,818
Lease Payable	1,990
Accrued liabilities	747,856
Due to employees	97,147
Due to other funds	1,380,000
Payroll Taxes Liabilities	21,767
Unearned revenue, net of accumulated amortization	64,682
Total Current Liabilities Payable from Unrestricted Current Assets	\$ 2,581,849

Payable from restricted current assets:

Accounts payable	-
Obligation under securities lending of the State Treasurer	-
Accrued interest payable	\$ -
Due to other funds	-
Other liabilities	-
Unamortized bond premium	-
Total Current Liabilities Payable from Restricted Current Assets	\$ -
Total Current Liabilities	\$ 2,581,849

Noncurrent Liabilities

Payable from unrestricted noncurrent assets:

Noncurrent payables	\$ 585
Lease Payable	\$ 15,700
Accrued liabilities	-
Noncurrent loan reserve	-
Total Noncurrent Liabilities Payable from Unrestricted Noncurrent Assets	\$ 16,285

Payable from restricted noncurrent assets:

Unamortized bond premium	-
Assets	\$ -

Total Noncurrent Liabilities

Total Liabilities	\$ 2,598,134
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DEFERRED INFLOWS OF RESOURCES:

Net Position:

Net Investment in Capital Assets	\$ 31,387
Unrestricted	59,053,445
Current Change in Net Position	229,749
Total Net Position	\$ 59,314,581

Total Liabilities & Net Position	\$ 61,912,715
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FY 2023 Investment Income Analysis

	General Fund	Local Gov	Total
Beginning Balance Short Term	16,367,643.43	21,482,649.62	37,850,293.05
Beginning Balance Long Term	1,469,479.28	1,760,160.14	3,229,639.42
Total Beginning Balance 7/1/2022	17,837,122.71	23,242,809.76	41,079,932.47
Ending Balance Short Term	16,139,765.12	21,966,479.47	38,106,244.59
Ending Balance Long Term	3,234,134.04	4,651,599.27	7,885,733.31
Total Ending Balance 6/30/2022	19,373,899.16	26,618,078.74	45,991,977.90
Average Investment FY 2023	18,605,510.94	24,930,444.25	43,535,955.19
Interest Income	465,160.67	674,684.96	1,139,845.63
Investment Gain	250,314.91	202,110.03	452,424.94
Accured Interest	118,310.61	195,568.35	313,878.96
Total Investment Income FY 2023	833,786.19	1,072,363.34	1,906,149.53
Investment Yield FY 2023			4.38%

MainStreet		5/5/2023	Illinois Finance Authority		Projected	Yield
Advisors	Custodian	Market Value with Accrued	Locally Held Accounts	Current Status & Account Level Notes	Gross Income FY 2024	at Cost
x4053	x8307	\$ 26,704,966.96	IFA Local Government Securities 2015 & Prior	Rolling 18mo maturity following IL Pub Funds Act	\$ 1,195,047.27	4.40%
x4033	x8101	\$ 2,828,451.97	IFA Ambulance Revolving Loan Fund	5/31/23 max maturity following IL Pub Funds Act	\$ -	4.65%
x4032	x8094	\$ 11,065,682.64	IFA Fire Truck Revolving Loan Fund	5/31/23 max maturity following IL Pub Funds Act	\$ -	4.61%
x4007	x8012	\$ 19,410,179.97	IFA General Fund	Rolling 18mo maturity following IL Pub Funds Act	\$ 860,841.48	4.32%
x4011	x8076	\$ 4,092,814.94	IFA Housing Partnership	Rolling 18mo maturity following IL Pub Funds Act	\$ 189,088.05	4.69%
x4008	x8021	\$ 10,360,431.37	IFA IRBIF	Rolling 18mo maturity following IL Pub Funds Act	\$ 483,832.14	4.79%
		\$ 74,462,527.85				
					\$2,728,808.95	

Investment Report

Based on our fiscal year 2023 analysis, and our investment managers report, our average yield for the prior year was 4.38%. Were we to deploy \$10,000,000 of this investment, this would represent a loss of about \$438,000 in investment income.

General Fund	26,704,966.96	4.40%
Local Gov	19,410,179.97	4.32%
Total	46,115,146.93	4.37%

To: Members of the Illinois Finance Authority
From: Brad Fletcher, Senior Vice President
Date: September 12, 2023
Re: PACE Project Financing Summary - Project No. 12570

Reference is made to the PACE Project Financing Summary attached hereto. The Illinois Finance Authority (“IFA”) has approved the issuance of its bonds or notes to be purchased by the Capital Provider or its designated transferee(s).

All within the parameters set forth in a Property Assessed Clean Energy (“PACE”) Bond Resolution or Interim Financing Resolution approved by the Members of IFA, an application for the above-referenced PACE Project submitted by the Capital Provider has been approved by the IFA for financing or refinancing, or interim financing, and an Authorized Officer of IFA has executed and delivered, or prior to the closing thereof will execute and deliver, PACE Bond Documents or Interim Financing Documents for such PACE Project.

The following conditions precedent have been, or on or before the closing thereof will be, satisfied:

1. Pursuant to the Property Assessed Clean Energy Act, 50 ILCS 50/1 *et seq.*, as amended (the “PACE Act”), the financing or refinancing, or interim financing, with respect to such PACE Project shall be accompanied by a written opinion from a nationally recognized municipal bond counsel in form and substance acceptable to IFA as the issuer of the bonds or notes.
2. Pursuant to the PACE Act, the assessment contract with respect to such PACE Project shall be executed and delivered by an Authorized Officer of the Governmental Unit.
3. Pursuant to the PACE Ordinance adopted by the Governmental Unit, the assignment agreement assigning the assessment contract to IFA with respect to such PACE Project shall be executed and delivered by an Authorized Officer of the Governmental Unit.



Governmental Unit	Village of Northbrook, Illinois		
Property Address	933 Skokie Blvd., Northbrook, IL 60062		
Property Type	Hospitality		
Property Size	211,750 sq. ft.		
Record Owner	Northbrook ND Investments, LLC, a Delaware limited liability company, as the titleholder or owner of beneficial interest in the Property		
Capital Provider	PACE Loan Group, LLC		
PACE Project	Bond proceeds will assist the Record Owner in providing all or a portion of the funds necessary for the acquisition, construction, installation, or modification of certain improvements affixed or to be affixed to the Property, including without limitation: (i) replacement roof and related insulation, repair or replacement of all aluminum door surrounds along with sweeps, seals, and thresholds, repair and replacement of revolving door, and reglazing of windows, (ii) new and more efficient vertical terminal air conditioners to heat and cool hotel rooms, and new and more efficient rooftop units to heat and cool common areas (iii) new high efficiency boilers to heat common areas and provide domestic hot water, and upgraded showerhead and bathroom faucet fixtures, (iv) LED lighting, and (v) more efficient AC-EE geared traction elevator systems.		
Financing	Issuance of Illinois Finance Authority Taxable Property Assessed Clean Energy Revenue Bonds, (PACE Loan Group) Series 2023B		
	Principal:	\$6,245,735.00	
	Interest:	8.49% Fixed	
	Maturity:	November 1, 2048	
	Security:	Special assessment on the Property pursuant to the assessment contract between the Record Owner and the Governmental Unit (and its permitted assignees)	
	Structure:	Direct purchase	
	Source:	PACE Loan Group 2019-1, LLC, as Designated Transferee of the Capital Provider	
	Use of Proceeds:	PACE Project Costs	\$4,720,239.00
		Program Fees	31,229.00
Other Fees		112,893.00	
	Capitalized Interest	1,256,459.00	
	Capital Provider Fees	124,915.00	
		\$6,245,735.00	



Impact*	Energy Savings:		1,928,896 kWh and 37,604 CCF			
	Energy Utility Bill Savings:		\$472,648			
	Water Savings:		1,450,875 Gallons			
	Water Bill Savings:		\$35,496			
Job Data		N/A (refinancing)				
Professionals†	Trustee:	Wilmington Trust, N.A.		Harrisburg, PA		
	Servicer:	PLG Servicing, LLC		Eden Prairie, MN		
	Bond Counsel:	Foley & Lardner, LLP		Chicago, IL		
Districts	U.S. Representative: 10		State Senator: 29		State Representative: 57	
IFA Fees	Interim financing provided by Warehouse Fund:				N/A	
	Long-term financing provided by IFA’s issuance of bonds or notes:				\$31,228.67	

* Average annual estimates as reported by PACE Loan Group, LLC, which is the PACE Project Administrator.

† IFA did not participate in the selection process for the Trustee, the Servicer and Bond Counsel or any other role in the transaction, and did not decide who would be selected as a result of such selection process except for having a right to object to the Bond Counsel selected by the Capital Provider. IFA is acting solely as a conduit issuer of the bonds or notes and not as a financial advisor, municipal advisor, placement agent or underwriter with respect to the issuance of such bonds or notes.

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ILLINOIS CLIMATE BANK PLAN STANDING REPORT

September 12, 2023

Background:

Section 5 of Resolution No. 2022-1110-EX16 (Climate Bank Plan Resolution), adopted on November 10, 2022, requires the Executive Director to report to the Members on all material actions taken under the resolution and all substantive modifications made to the Climate Bank Plan between meetings. The Members may then affirm, modify, or disapprove of any modifications to the Climate Bank Plan.

This September 12, 2023 Climate Bank Plan Standing Report is consistent with Section 5 of the Climate Bank Resolution and modifications to the Climate Bank Plan, recommended to be modified today, September 12, 2023, regarding (1) the GGRF SFA, Fund, and Accelerator matters; (2) the EE RLF Program; and (3) RECI. It summarizes all material actions taken under the Climate Bank Plan.

ACTION SUMMARY

1. On September 8, 2023, the Authority hosted a stakeholder listening session and presentation regarding the \$7 billion Solar for All (SFA) competition funded by President Biden's Inflation Reduction Act's authorization of the USEPA's Greenhouse Gas Reduction Fund (GGRF). Stakeholders were invited to share their thoughts and collaborate on strategies for the Authority's SFA application. A second stakeholder engagement meeting is anticipated for September 14, 2023.
2. On August 31, 2023, the U.S. EPA made key changes to its Greenhouse Gas Fund Notice of Funding Opportunity relating to Solar for All. The application deadline was extended to October 12, 2023. Additionally, changes were made the maximum award sizes. The only entities that may pursue the \$400 million award are those that have a disadvantaged community population of more than 5 million individuals. Because Illinois has a disadvantaged community population of 3,686,510, the State will now be limited to a proposal size of \$250 million. Illinois is not alone in this change; Michigan, Puerto Rico, Pennsylvania, Ohio, Georgia, and North Carolina are now also limited to a \$250 million award.
3. In August, with respect to The Clean Energy Jobs and Justic Fund (CEJF, a.k.a., The CEJA Fund), a nonprofit empowered by state law to provide loans and financial assistance for renewable energy projects being done by minority-owned businesses or in low-income and disadvantaged communities, the Authority appropriately raised the issue of initial public funding with policymakers.
4. On August 23, 2023, the Authority submitted two letters of support for EV projects in Illinois:
 - i. The Authority submitted a letter of support to the Bronzeville Smart E-Mobility Hub and Spoke in support of the Bronzeville Community Development Partners (BCRP) EV Planning and Prototype Project on Chicago's Near South Side. The Department of Energy and Transportation Ride and Drive Electric Initiative represents a remarkable opportunity to develop EV Mobility Solutions for Justice40 census tracts

which represent our entire service area. The project will address Historic Disadvantages in neighborhoods still excluded from the electrification of transportation and renewable energy.

- ii. The Authority also submitted a letter of support for the Electric Vehicle Infrastructure Workforce Education Exchange (EVIWEX). The EVIWEX project, led by a consortium of our community colleges and four-year institutions, will accelerate the workforce training required to meet the rollout of charging infrastructure throughout our state.
5. On August 18, 2023, the Authority shared a draft pipeline project with Coalition for Green Capital (CGC), a nonprofit advocacy group that promotes investment in clean energy and supports the creation of Green Bank institutions, who was responsible for the inclusion of the GGRF in the Inflation Reduction Act; the G-50 Members (G-50), a community of over 40 regional, state, and local Green Banks across working share best practices and collaborate to achieve positive climate and energy justice impact; and the Clean Energy Jobs and Justice Fund (CEJF),
 6. Since August 1, 2023, Heartland Bank and Trust Company and Midland States Bank have signed up for our State Small Business Climate Initiative (SSBCI) program. The Authority is currently discussing solar installation projects with these lenders. SSBCI is receiving participation inquiries not only from banks to help their borrowers, but also manufacturers and service companies interested in securing sources of financial support for their client purposes. The Authority expects to receive completed applications from six more lending institutions shortly. Authority staff is optimistic about documenting and closing its first SSBCI participation within 8 weeks of today's meeting.
 7. The Authority continued to actively engage with the CGC and various green banks (public and not-for-profit)/financial institutions across the country, and other potential applicants and stakeholders for the GGRF Fund and Accelerator federal competitive applications. These potential applicants included Justice Climate Fund, Climate United, Council of Development Finance Agencies, the National Community Investment Fund, and others.
 8. The Authority continued to collaborate with DCEO on various economic development projects connected to Climate Bank purposes.

Attachment 1 – Authority/Climate Bank Working Draft September 12



**ILLINOIS
FINANCE
AUTHORITY.**



**ILLINOIS
CLIMATE
BANK**










WORKING DRAFT -Sept 12 2023

IFA/CLIMATE BANK CONDUIT BONDS



The issuance of conduit revenue bonds, currently the Authority's primary service and financial product, generally has four structures: public offerings, limited public offerings, private placements, and direct-purchases. **Bond proceeds** from tax-exempt qualified private activity financings and commercial property assessed clean energy financings lent to borrowers under each of these conduit financing structures are not from public funds but are instead from private funds. The Authority's **Bond Handbook** (which is evaluated and updated from time to time) **mitigates headline risk** by setting forth the Authority's requirements and policies applicable to bonds issued under each of these conduit financing structures and reflects the Authority's philosophy of providing its borrowers **with a customer-driven bond transaction process**.

Together with the issuance of Clean Water State Revolving Fund bonds and Drinking Water State Revolving Fund bonds for the Illinois Environmental Protection Agency, the Illinois Finance Authority is among the nation's leading issuers of conduit revenue bonds (i.e., approximately \$23 billion outstanding), **many on behalf of projects with a climate and sustainability focus**. Borrowers for IFA/Climate Bank projects include:

-   • hospitals, healthcare systems and retirement communities;
-   • nonprofit organizations (including higher education, PreK-12 schools, student housing, museums and cultural institutions);
-   • commercial, industrial, multi-family, hospitality and office development;
-  • agriculture; and
-   • State and local governments.



ILLINOIS CLIMATE BANK

In September 2021, the **Illinois Climate and Equitable Jobs Act (CEJA)** designated the **Illinois Finance Authority as the Climate Bank** and clarified existing powers to include traditional Green Bank powers. **CEJA also established the Clean Energy Jobs and Justice Fund (CEJA Fund), non-profit empowered by Illinois State law.**

Created in 2004, the Illinois Finance Authority/Climate Bank (IFA/Climate Bank) is the successor to seven State statutory entities focused on using municipal finance to advance State policy goals, including the Illinois Environmental Facilities Financing Act, 20 ILCS 3515

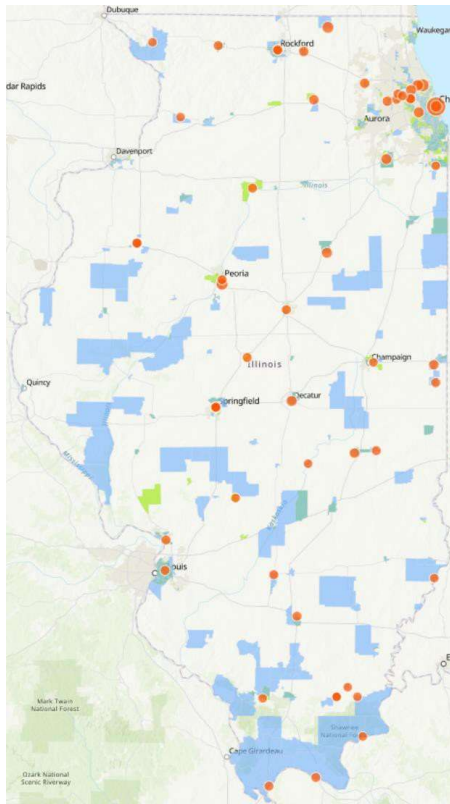
Illinois Law and Policy (CEJA) **aligns hand-in-glove with federal law and policy priorities**, including under USEPA GGRF and federal climate funding across UST, USDOE, USDOT. This alignment will maximize the impact of any GGRF award to IFA/Climate Bank.

Illinois Climate Bank 2022 Record of Success



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

In 2022 (first 12 months of the IFA's Climate Bank designation):



- **\$256 million*** in private capital mobilized and deployed
 - \$233 million* for public water quality infrastructure through State Revolving Fund in partnership with IL EPA
 - \$23 million* for Commercial Property Assessed Clean Energy Bonds (C-PACE) with no public subsidy
- **65%*** of these investments, funded by private capital, were made in or benefit disadvantaged communities.

(*Preliminary and unaudited)

IFA Record of Success in Climate/Environmental Finance



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

The 2021 state designation of the IFA as the Climate Bank built on a long record of success, back to 2004 (the creation of the IFA) and before.

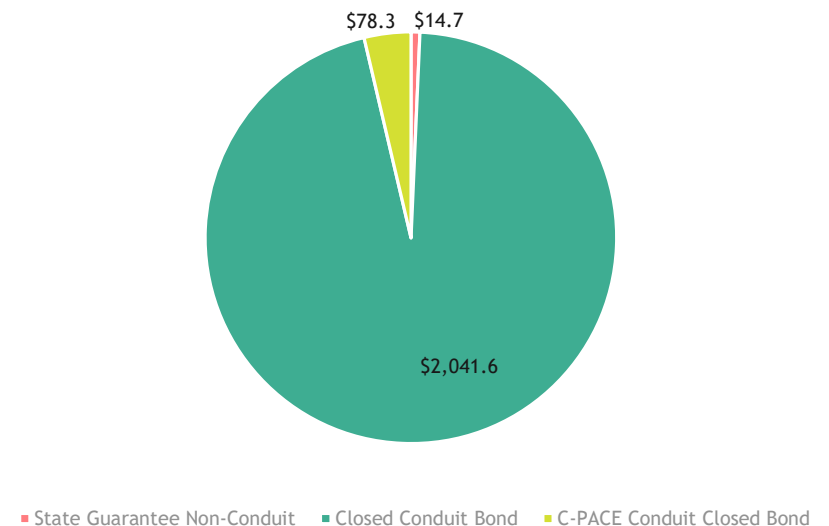


IFA has mobilized over \$2.1 billion through various, generally conduit, environmental financing projects



IFA also provided initial approval for \$3.4 billion of additional climate/environmental conduit financing

Closed Environmental Finance Transactions (in millions)



GREENHOUSE GAS REDUCTION FUND (GGRF)



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK



\$7 billion
Solar for All Competition

IFA Applying
Directly

Deadline 10/12
(was 9/26)

Target: \$250m



\$14 billion
National Clean Investment
Fund Competition

IFA Applying
Through one or
more National
Partners

Deadline 10/12

Target: \$300m -
\$500m



\$6 billion
Clean Communities
Investment Accelerator
Competition

IFA determining
best path to
enhance IL policy
outcomes

Deadline 10/12

Target: 5
recipients of
\$10.8m each

CLIMATE BANK – SOLAR FOR ALL APPROACH (SFA)



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

- **Joint State application:** led by Illinois Climate Bank (IFA), in close coordination with Illinois Power Agency, Illinois Housing Development Authority, Illinois Department of Commerce and Economic Opportunity (DCEO), and local stakeholders.
- **Funding:** Seeking **\$250 million** (maximum award down from \$400 million), over a 5-year life, to reach 30,000 households.
- **Support and address gaps in Illinois Solar for All:** not supplant existing funding for Illinois Solar for All or duplicate or be competitive with it. Projects likely will include:
 - Adding **energy storage** and **panel upgrades** in low-income and disadvantaged community homes
 - Support expanded coordination with other efforts (**LIHEAP**, Affordable Housing, Energy Effic.)
 - **Health & Safety upgrades** to enable solar, such as roof repairs, asbestos.
 - Financing and support for **Equity Eligible Contractors, Disadvantaged Business Enterprises (DBEs)** involved in projects.
 - **New community solar options** for low-income, disadvantaged communities, affordable housing.

Ongoing Stakeholder Engagement



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

STAKEHOLDER COLLABORATION (More than 150 different entities)

- November 2022: GGRF Stakeholder Listening Session
- Small Group Meetings
- April: GGRF Ideas Workshop
- April/May: Local Government Engagement on Grid Resilience and EV infrastructure
- April/May: CDFI Engagement on GGRF
- July: Stakeholder Session on GGRF Solar for All
- July: Stakeholder Session on GGRF NCIF
- September 8: Stakeholder Session on GGRF Solar for All
- September 14: Stakeholder Session on GGRF NCIF

Summary of Feedback Received:



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK



EQUITABLE CLIMATE FINANCE

- Identifying market gaps in access to clean energy that can be addressed by new finance tools.
- Identifying the biggest needs for new, BIPOC-owned businesses in clean energy space.
- Developing methods to maximize and mobilize private capital?
- Establishing appropriate metrics for success.

Climate & Equitable Finance Opportunities



SUMMARY OF IDEAS RECEIVED

ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

LONG-TERM

MEDIUM-TERM

SHORT-TERM

RECURRING

Standard
LMI solar
lease

Cash gap
for
homes

Building
Electrifica
tion Loans

Tax
Equity
Finance
Pool

School
Bus

Bridge Loans
for Tax
Credits/
Direct Pay

Bridge
Loans for
RECs/
Rebates

Comm-
unity
Portfolios

Loans
for
Training

Bonding
support

Back-
Office
Support

Public
Building
Project
Finance

Commere
cial PACE

Retrofit
Standard
Offer
Loan Loss
Reserve

Medium/
Heavy-Duty/
Fleet
Electrification

Tech.
Assis.

Working
Capital for
BIPOC
businesses

20-Year
Solar
Schools




JVs with
mentors

Capacity
Building
for BIPOC
businesses

State of Illinois Unified GGRF Approach



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

- **State partnership with national applicant:** Illinois Climate Bank will coordinate with potential national applicants to be included in a highly-competitive proposal.
- **Address priority areas of NCIF:**
 -  Zero-emissions transportation
 -  Net-zero emission buildings in low-income and disadvantaged communities
 -  Distributed generation < 10 MW
- **Support community-focused initiatives and gaps in financing:**
 - Example Illinois Climate Bank areas of interest: fleet electrification, transit electrification, EV infrastructure, building decarbonization, low-income and EIEC community clean energy adoption, EEC and diverse business support



GGRF NCIF INITIAL & NEAR-TERM STRATEGIES


CORE THESIS: Statewide reach and more experience and capable than community lender. More flexible than a national lender to design standardized finance products specifically around Illinois’ strong clean energy incentives/policies/programs.

SUPPORTING BIPOC BUSINESSES

Working Capital

Corporate Debt / Investment

Surety Bonds / Collateral



Joint Ventures

Project Finance


PROJECT FINANCING

Public fleet electrification finance

Transit fleet electrification finance

Commercial fleet electrification finance


Public/Private EV infrastructure




Expand RLF for energy efficiency

Building Electrification Finance

Commercial PACE (Property Assessed Clean Energy)




Standardized Solar Finance Product for Disadv. Comm.



Bridge Loans for new IRA Elective Pay, REC, utility incentives

Long-Term loans for school solar, energy efficiency

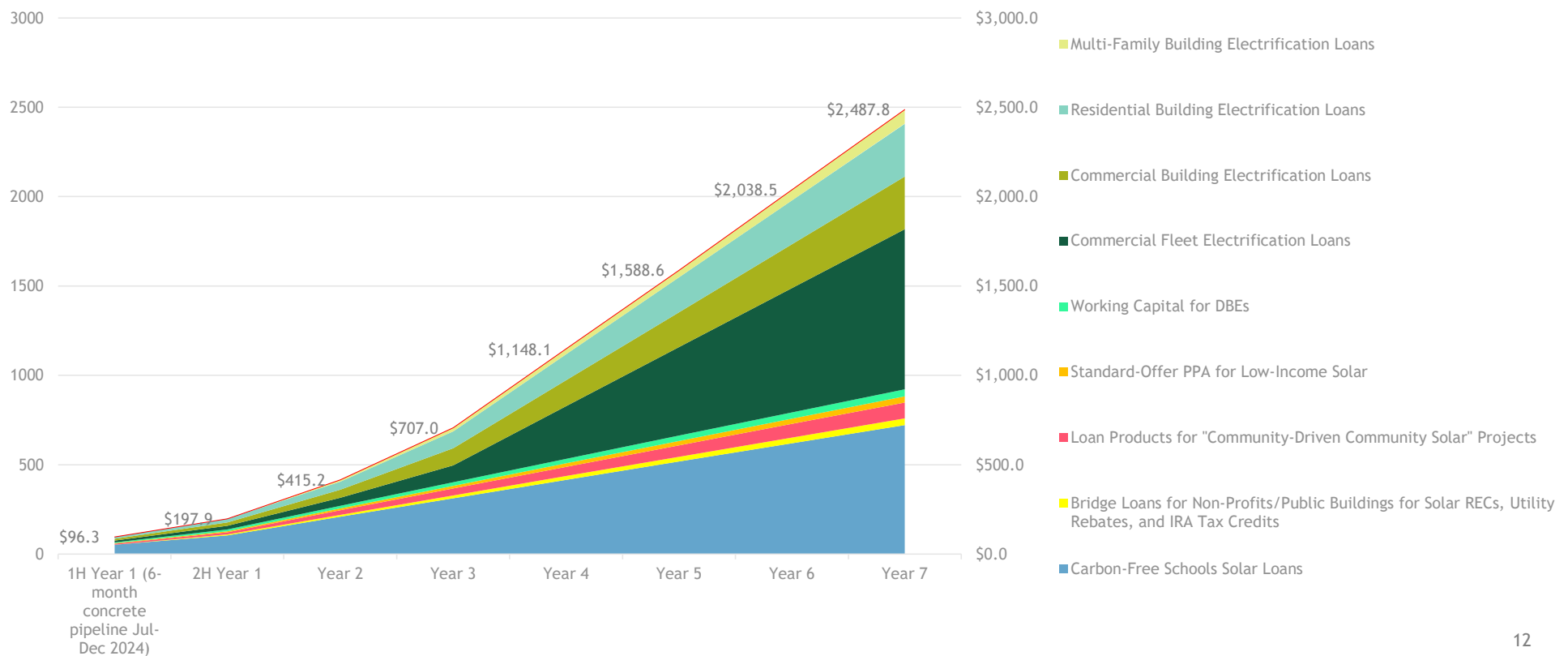


GGRF NCIF State of Illinois Approach



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

IFA Total Deployed Capital Projections
(\$ millions)

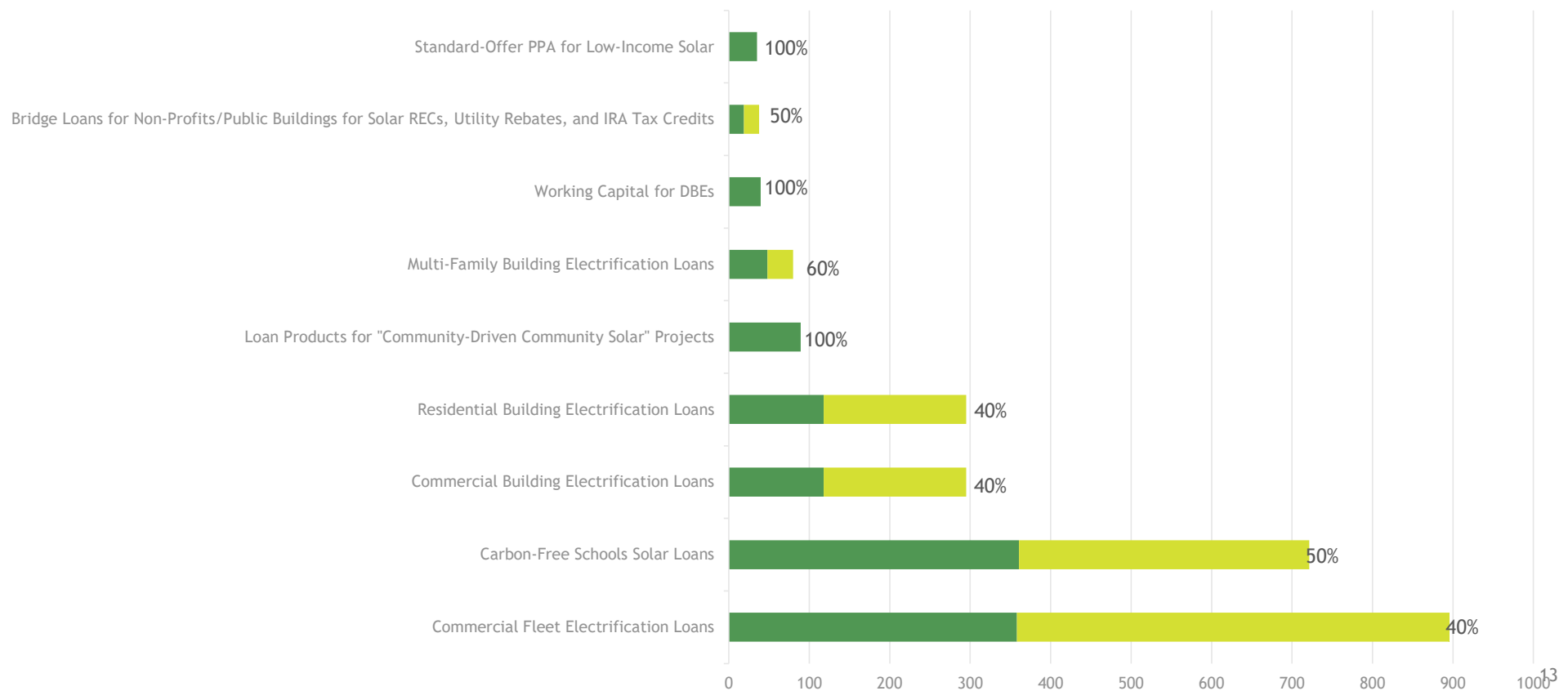


GGRF NCIF State of Illinois Approach



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

Percent to be Deployed to Disadvantaged Communities



GGRF NCIF Selection Process Update



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

CHOOSING A NATIONAL PARTNER



- EPA will distribute the funding through 2-3 national nonprofit entities, may in turn partner with state and local green banks and other lenders.
- IFA/Climate Bank has been working with a national network of green banks from more than 20 states to hear and understand the approaches of various potential national applicants.
- Working to identify the applicant(s) that best meet the policy goals of state-chartered public green banks like IFA/Climate Bank.

GGRF NCIF Selection Process Update



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

IFA/Climate Bank believes that Coalition for Green Capital (CGC) is the leading candidate for Illinois NCIF funds because:

- CGC is well positioned nationally to secure one of the 2-3 national awards.
 - CGC is the only applicant offering a substantial equity allocation to Illinois (up to \$291 million).
 - CGC is the only applicant that is offering start-up capital to cover operational needs.
 - CGC is offering terms to recapitalize IFA/CB if our need exceeds that allocation
- Both Illinois Climate Bank and the CEJF can secure agreements with CGC. CEJF can also pursue additional agreements with other applicants.
- CGC is not exclusive and IFA/CB may submit through other applicant(s).



AS A NATIONAL LEADER IN CLIMATE POLICY, ILLINOIS IS NOT A ONE-SIZE-FITS-ALL STATE.

- Other potential national applicants are developing applications that would ignore state policy priorities and go directly from a national platform to local lenders, consumers, and businesses. A partnership CGC could better prioritize IL CEJA objectives than other potential NCIF national applicants.

GGRF NCIF Selection Process Update

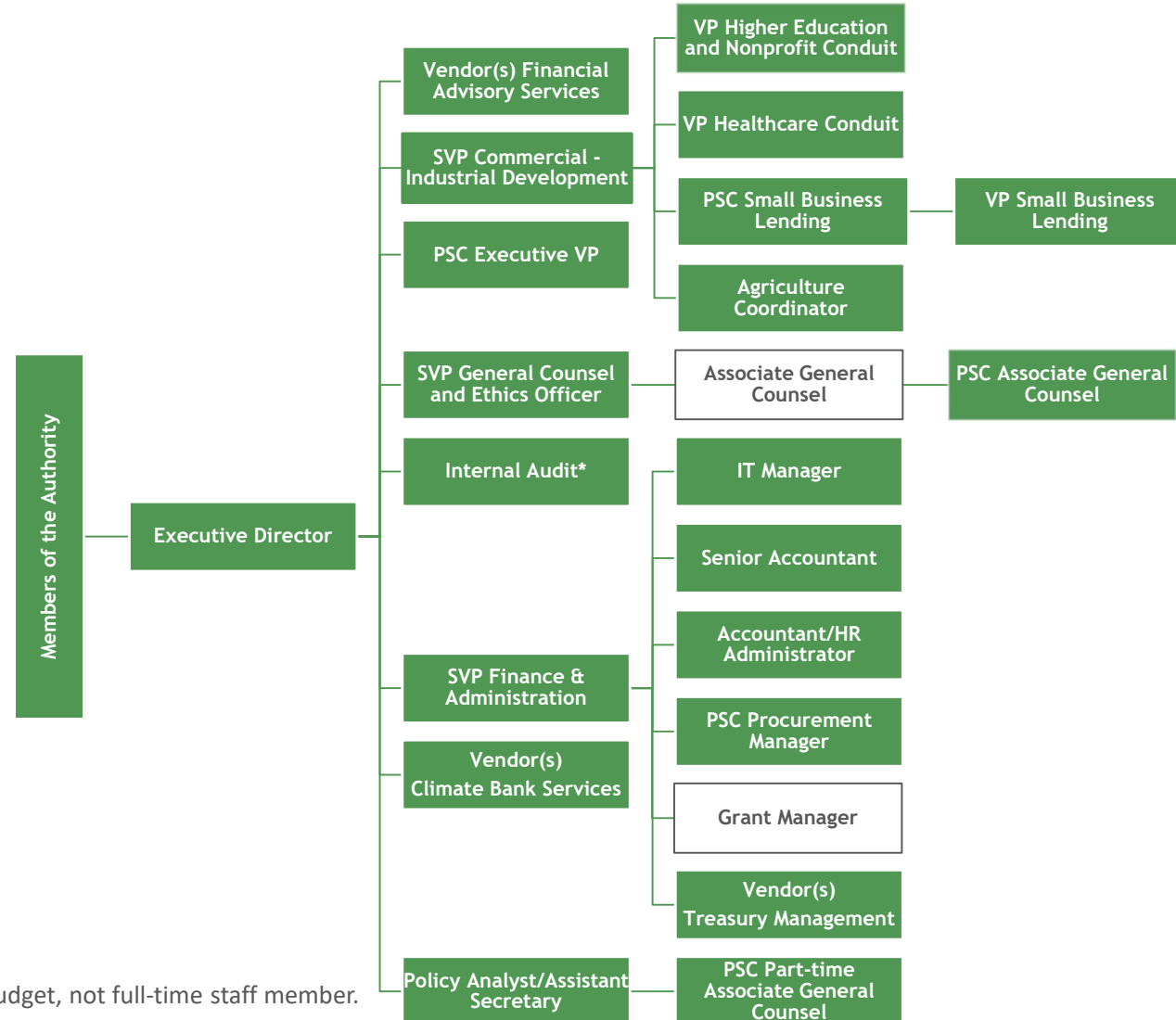


ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

Illinois Climate Bank Needs & Next Steps

- Approval to enter into a Memorandum of Agreement with Coalition for Green Capital by mid-September to enable Illinois to be a named subrecipient in the award and lock in a material equity allocation.
- Additional headcount, beyond current FY 2024 budgeted organizational chart, after March 2024 to manage federal funds and the new initiatives.
- Encourage allocation of \$1 million (non-IFA) State funds designated for CEJJF (as agreed in CEJA) to support their start-up operations to maximize federal awards.
- NCIF funds do not require non-federal cost-share. Expenses will be covered 100% by the USEPA after March 2024.

Illinois Finance Authority/Climate Bank – September 12th, 2023 -Functional Org Chart: Green/White-Budgeted/Filled; White/Black-Budgeted/To be Filled



*Per IGA with CMS Bureau of Internal Budget, not full-time staff member.

GGRF CCIA Selection Process Update



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK



Illinois is still working to identify one or more national partners that best align with Illinois policy goals and will work closely with both IFA/Climate Bank and CEJF to obtain the \$10.8 in funding for our state.

IFA/CLIMATE BANK C-PACE



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK



C-PACE is a no-public subsidy taxable conduit climate finance between private borrowers and private lenders.

- Standard documents and local ordinances
- Keeping real estate land use decision-making where it belongs, at the municipal and county-level
- Adoption by 9 IL counties and municipalities in 9 months since launch
- 11 closed projects and 12 approved private lenders in total amount of **\$78.3 million**

[Commercial Property Assessed Clean Energy | Illinois Finance Authority \(il-fa.com\)](https://il-fa.com)

20

State Small Business Credit Initiative (SSBCI)



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

SSBCI funds the IFA/Climate Bank Loan Participation Program, which works with banks and other financial institutions that are active in lending to small businesses. SSBCI:



Receives federal funding for projects as part of the American Rescue Plan Act of 2021



Provides access to capital for small business who may not be able to get the amount or terms they need



Allows lenders benefit from risk mitigation, get access to new borrowers, and expand relationships with existing ones



Focuses on projects that mitigate climate change, including hydroelectric, solar, wind, but also biomaterial production and the expansion of broadband in underserved communities



Serves both the Chicago area and downstate Illinois

State Small Business Credit Initiative (SSBCI)

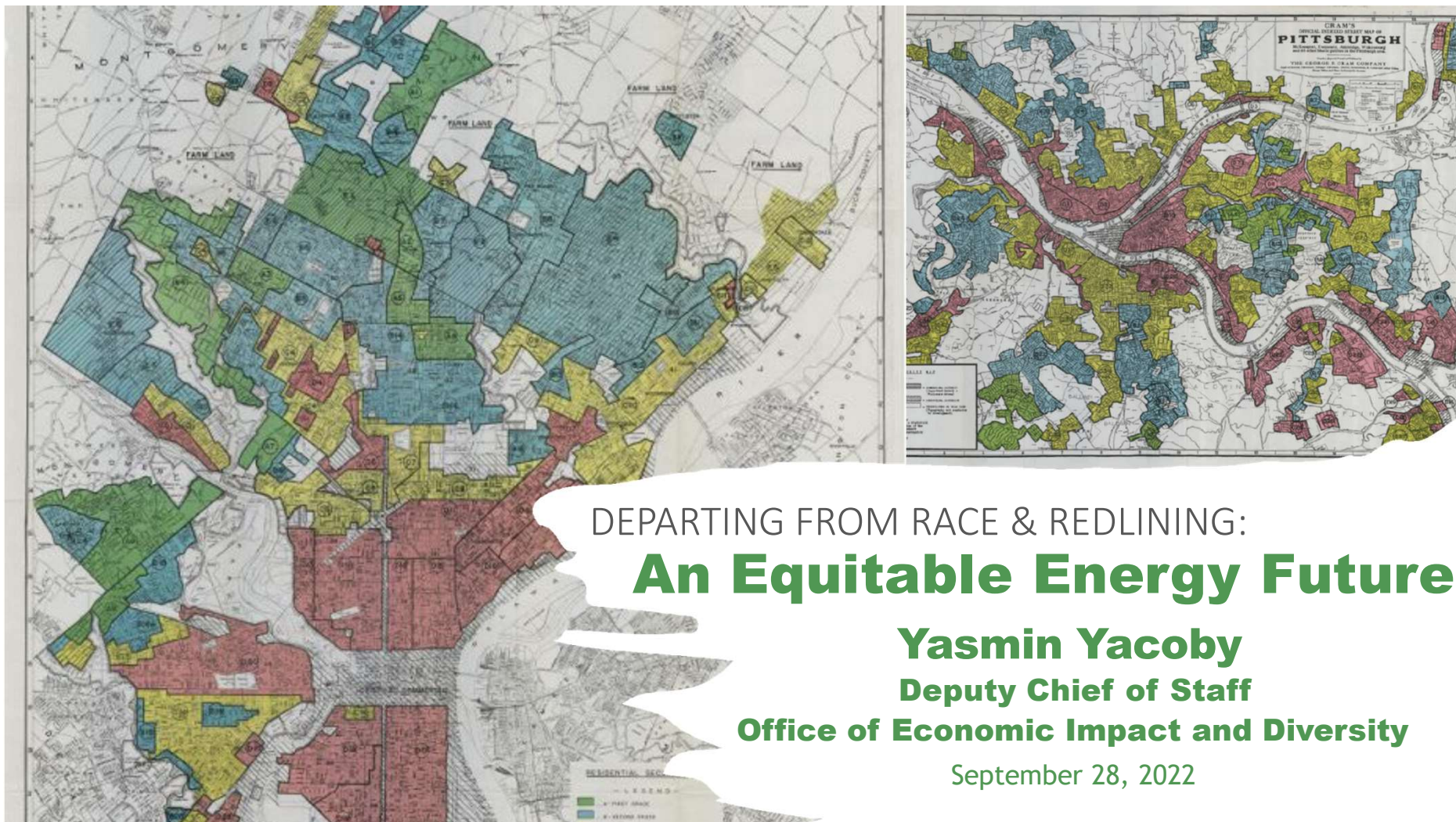


ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

SSBCI Update:

- Has been in contact with almost 75 different lending institutions
- 2 institutions, Heartland Bank and Trust Company and Midland States Bank have signed up for the program.
 - SSBCI anticipates receiving completed applications from 6 more institutions shortly.
 - The deals in discussion are solar installation projects, which could amount to \$1.5 million in SSBCI funds expended
- SSBCI is expecting to document and close its first participation within the next 8 weeks
- Evans will be providing an overview of the SSBCI program in Southern Illinois this October.

[SSCI HOMEPAGE](#)



DEPARTING FROM RACE & REDLINING:

An Equitable Energy Future

Yasmin Yacoby

Deputy Chief of Staff

Office of Economic Impact and Diversity

September 28, 2022



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
ECONOMIC IMPACT AND DIVERSITY 23



MARCH



U.S. DOE 40101(d) GRID RESILIENCE

\$40m

to improve reliability and resilience, particularly in disadvantaged communities

Funding anticipated
Sept. 2023



RESILIENT & EFFICIENT CODES IMPLEMENTATION

\$4m

to develop a building performance hub to support small energy efficiency contractors

FUNDING
PENDING

APRIL



STATE SMALL BUSINESS CLIMATE INITIATIVE

up to \$20m

to provide financing for the start-up and/or expansion of "green" business ventures/projects

\$3M Received



U.S. DOE EE REVOLVING LOAN FUND

\$15.3m

to finance building retrofits and to provide working capital to minority contractors

Funding anticipated
Sept. 2023

MAY



U.S. DOE GRIP PROGRAM

\$127m

to accelerate transportation electrification in rural and small-town communities

SUBMITTED



U.S. DOT CHARGING & FUELING INFRASTRUCTURE

\$15m

to support community-based charging benefitting rural and dense urban communities

SUBMITTED

SUMMER



U.S. EPA GREENHOUSE GAS REDUCTION FUND

\$280m- \$840m

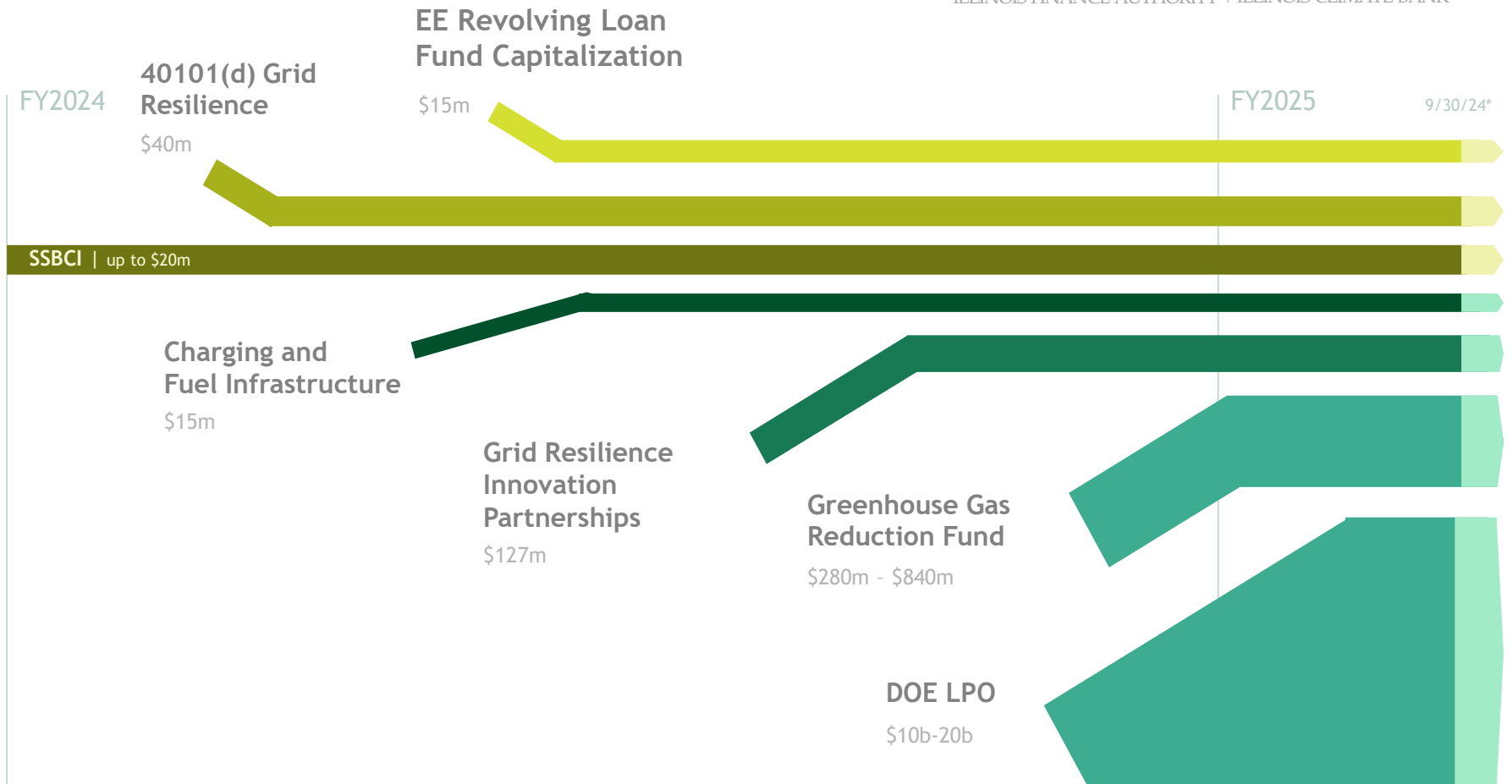
to seed Illinois Climate Bank and Illinois Jobs & Justice Fund Activities

OCT 12 2023

New Federal Funding



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK



CLIMATE BANK PLAN FOR FISCAL YEAR 2024

Originally Approved: November 10, 2022

Updated: February 14, 2023, June 13, 2023, July 11, 2023, and, August 8, 2023, and **September 12, 2023**

Brief Background: As noted in the Climate Bank Standing Report, considering the rapidly expanding field of potential federal funding opportunities connected with the Authority's statutory designation as the Climate Bank of the State of Illinois, on November 10, 2022, the Authority adopted Resolution No. 2022-1110-EX16 (Climate Bank Plan Resolution). Due to the timing and complexity of these potential federal funding opportunities, it may not be practical or feasible for the Authority Members to meet in a timely manner to obtain the necessary approvals, allocate resources, and authorize spending to compete for these potential federal funding opportunities. Accordingly, the Executive Director will continue to work jointly with the Chair, in close consultation with the Administration, on each of the items and will report back to the Members for consideration, affirmation, modification, or disapproval of these modifications to the Climate Bank Plan consistent with the Climate Bank Plan Resolution. The Executive Director asks the Members to affirm the below additions to Climate Bank Plan last Modified and Updated on August 8, 2023, which shall be incorporated entirely by reference:

Modifications to the Climate Bank Plan are **bold and underlined** below.

1. **GGRF: \$7B Solar for All (SFA); On August 31, 2023, the SFA application deadline was extended from September 26, 2023, to October 12, 2023. Included in the announcement was a notice that any state with a disadvantaged community population of less than 5 million people could only pursue a maximum award of \$250 million as opposed to the original \$400 million. As Illinois has a disadvantaged community population of 3,686,510, the Authority is connecting with concerned stakeholders to adapt our SFA application plan considering these changes. The Executive Director, in close consultation with the Administration and the Chair, plans to submit information to one or more applicants that places the State of Illinois in the best competitive posture for GGRF funds. If necessary, the Authority may retain vendors to provide additional capacity to support competitive applications, subject to applicable law, including but not limited to the Procurement Code. The Authority will also gather support letters from a wide variety of stakeholders in support of the Illinois SFA application.**
2. **GGRF: \$14B National Clean Investment Fund (Fund); \$6B Clean Communities Investment Accelerator (Accelerator); With respect to the GGRF Fund and Accelerator federal competitive funding applications, following close consultation with the Administration and the Chair, the Executive Director will negotiate and commit to one or more partnerships, coalitions, applications, contracts, participations, or other agreements to place the State of Illinois in the best competitive posture for the GGRF funds, including vendors to provide the necessary capacity to support competitive applications, subject to applicable law, including but not limited to the Procurement Code. To support an Illinois-based GGRF Accelerator application, the Authority may enter into a small purchase agreement with additional third-party expertise. The Authority will also gather support letters**

CLIMATE BANK PLAN FOR FISCAL YEAR 2023

from a wide variety of stakeholders in support of one or more Fund and Accelerator applications that best benefit Illinois people and policies.

3. The Intergovernmental Agreement dated February 6, 2023, between the Illinois Department of Commerce and Economic Opportunity (DCEO), the Illinois Finance Authority, the Illinois Environmental Protection Agency (IEPA), and the Board of Trustees of the University of Illinois (IGA) as amended in June 2023, provided additional vendor expertise for GGRF purposes. Instead of GGRF purposes, \$100,000 approved under the IFA budget was redirected to support the State's Recompete priority. Should Illinois receive a federal funding award under Recompete, such funds will complement IFA/Climate Bank's federal funding efforts by connecting Illinois residents disconnected from the workforce to climate-related employment.
4. Grid Innovation Program: The Executive Director, in close consultation with the Administration and the Chair, will negotiate and enter partnerships, agreements and contracts with the USDOE and other stakeholders – including municipal utilities, rural electric cooperatives as well as their umbrella organizations in connection with obtaining and deploying the USDOE GRID funding through appropriately developed programs and products.

Modification.

Consistent with the corresponding *Climate Bank Resolution* being adopted with the Plan, the Chair and the Executive Director are hereby authorized to modify the Climate Bank Plan from time to time to conform to the requirements of, or guidance from, any entity with authority over the Climate Bank Plan programs, including, but not limited to, the Governor of Illinois, the Federal Government, and as otherwise appropriate to facilitate the operation of the Climate Bank and action of participants in the Climate Bank Plan's programs. Any substantive changes to the Climate Bank Plan shall be made by the Executive Director in consultation with the Chair of the Authority, and then promptly reported to the Authority Members which may affirm, modify, or disapprove of the changes. The changes shall, however, remain in full force and effect until such time as the Members act, unless otherwise required by law.

IX. MONTHLY PROCUREMENT REPORT

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**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
September 11, 2023**

CONTRACTS/AMENDMENTS EXECUTED					
Procurement Type	Vendor	Term/Purchase Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
Small Purchase Contracts	Midwest Storage	07/01/23-06/30/24	\$1,663.20	Executed	Storage Space
	Zones	07/01/23-06/30/24	\$1,923.72	Executed	VMWare Software Licenses
	US Bank	07/01/23-06/30/24	\$10,900.00	Executed	Paying Agent & Custodian Services
	Dell	08/01/23-07/31/24	\$5,788.01	Executed	Microsoft Products, Support and Services
	Presidio Solutions	08/22/23-One Time Purchase	\$3,000.28	Executed	Citrix Access Points
	Malelo & Company	08/28/23- One Time Purchase	\$510.00	Executed	HP-LTO-6 ULTRIUM DATA TAPES
Illinois Procurement Code Renewals	Citigroup Global Markets Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Goldman, Sachs & Co. LLC	07/07/22-07/06/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Jefferies LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	J.P. Morgan Securities LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	BofA Securities, Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Morgan Stanley & Co. LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Piper Sandler Co.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
September 11, 2023**

	PNC Capital Markets LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	RBC Capital Markets, LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Samuel A. Ramirez & Company, Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Siebert, Williams, Shank & Co., L.L.C.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Stifel, Nicolaus & Company, Incorporated	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Wells Fargo Bank, N.A.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Academy Securities, Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Co-Manager
	Cabrera Capital Markets LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Co-Manager
Illinois Procurement Code Contracts	Acacia Financial Group, Inc.	07/01/23-06/30/24	\$176,000	Executed	Financial Advisor Services
	Sycamore Advisors, LLC	07/01/23-06/30/24	\$176,000	Executed	Financial Advisor Services
	Amalgamated Bank of Chicago	08/01/23-07/31/24	\$20,000	Executed	Bank Custodian Services
	MainStreet Advisors	08/01/23-07/31/24	\$95,000	Executed	Investment Management Services

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
September 11, 2023**

EXPIRING CONTRACTS-OTHER					
Procurement Type	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Credit Card</i>	Amalgamated-Credit Card	05/01/24	\$80,000	Continue	Credit Card
<i>Bank Depository</i>	Bank of America-Depository	06/30/24	\$400,000	Continue	Bank of America Operating Account

INTER-GOVERNMENTAL AGREEMENTS					
Procurement Type	Vendor	Term	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Inter-Governmental Agreements</i>	Office of the Illinois Treasurer	04/21/23-No End Date	N/A	MOU- Executed	Either Agency may provide each other Professional Services at no cost
	Office of the State Fire Marshal (OSFM)	07/01/20-06/30/25	N/A	IGA-Executed	Fire Truck Revolving Loan Program
	Illinois Department of Human Services (DHS)	07/01/21-06/30/24	N/A	IGA- Executed	DHS Printing Services

X. CORRECTION AND APPROVAL OF MINUTES

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ILLINOIS FINANCE AUTHORITY

August 8, 2023

Regular Meeting of the Members
9:00 AM

TRANSCRIPT OF PROCEEDINGS

had at the meeting of the above-entitled cause at
160 North LaSalle Street, 10th Floor, Chicago,
Illinois, taken before Patricia S. Mann, CSR, RPR,
License No. 084-001853 on Tuesday, August 8, 2023,
at the hour of 9:10 a.m.

PRESENT:

William Hobert, Chair
Drew Beres, Member
James Fuentes, Member (via phone)
Arlene Juracek, Member
Roxanne Nava, Member
Ameya Pawar, Vice Chair
Roger Poole, Member (via Zoom)
Tim Ryan, Member
Lynn Sutton, Member

ALSO PRESENT:

Chris Meister, Executive Director
Brad Fletcher, Senior Vice President
Ximena Granda, Manager of Finance &
Administration
Sara Perugini, Vice President, Healthcare/
CCRC
Claire Brinley, Assistant Secretary

GUESTS:

Memuna Lee, CEJA Chair
Joel Freehling, CEJA Vice Chair
Kevin Clark, CEJA Member
Liliana Scales, CEJA Member
Brad Roos, CEJA Member
Merei Shahl, U.S.Bank

CHAIR HOBERT: Good morning. This is Will
Hobert, Chair of the Illinois Finance Authority.
I'd like to call the meeting to order.

ASSISTANT SECRETARY FLETCHER: Good morning.
This is Brad Fletcher. Today's date is Tuesday,
August 8th, 2023, and this regular meeting of the
Authority has been called to order by Chair Hobert
at the time of 9:10 a.m.

Chair Hobert and some Members are
attending this meeting in person in Suite S-1000,
160 North LaSalle Street in Chicago, Illinois, and
one Member is attending in Suite 7B at 2929 Broadway
Street in Mount Vernon, Illinois. Both locations
are connected through an interactive video and audio
conference.

CHAIR HOBERT: This is Will Hobert. Will the
Assistant Secretary please call the roll?
ASSISTANT SECRETARY FLETCHER: This is Brad
Fletcher. I'll call the roll of Members physically
present in public meeting locations first.

Member Beres?

MEMBER BERES: Here.

ASSISTANT SECRETARY FLETCHER: Member Juracek?

MEMBER JURACEK: Here.



	Page 3
1	ASSISTANT SECRETARY FLETCHER: Member Nava?
2	MEMBER NAVA: Here.
3	ASSISTANT SECRETARY FLETCHER: Member Pawar?
4	MEMBER PAWAR: Here.
5	ASSISTANT SECRETARY FLETCHER: Member Poole?
6	MEMBER POOLE: Here.
7	ASSISTANT SECRETARY FLETCHER: Member Ryan?
8	MEMBER RYAN: Here.
9	ASSISTANT SECRETARY FLETCHER: Member Sutton?
10	MEMBER SUTTON: Here.
11	ASSISTANT SECRETARY FLETCHER: And Chair
12	Hobert?
13	CHAIR HOBERT: Here.
14	ASSISTANT SECRETARY FLETCHER: It's my
15	understanding we also have Jim Fuentes participating
16	remotely. Jim, can you confirm you're on the
17	line?
18	MEMBER FUENTES: I'm here.
19	ASSISTANT SECRETARY FLETCHER: Okay. My understanding
20	is you're participating under the provisions of the
21	Open Meetings Act due to illness. We'll need a motion
22	and second to allow Jim Fuentes to participate as a
23	member today. Do we have a motion?
24	MEMBER JURACEK: So moved.



	Page 4
1	ASSISTANT SECRETARY FLETCHER: Thank you. Is
2	there a second?
3	MEMBER RYAN: Second.
4	ASSISTANT SECRETARY FLETCHER: Okay. We're going
5	to take a roll-call vote just so there isn't any
6	doubt here. Member Beres?
7	MEMBER BERES: Yes.
8	ASSISTANT SECRETARY FLETCHER: Member Juracek?
9	MEMBER JURACEK: Yes.
10	ASSISTANT SECRETARY FLETCHER: Member Nava?
11	MEMBER NAVA: Yes.
12	ASSISTANT SECRETARY FLETCHER: Member Pawar?
13	MEMBER PAWAR: Yes.
14	ASSISTANT SECRETARY FLETCHER: Member Poole?
15	MEMBER POOLE: Yes.
16	ASSISTANT SECRETARY FLETCHER: Member Ryan?
17	MEMBER RYAN: Yes.
18	ASSISTANT SECRETARY FLETCHER: Member Sutton?
19	MEMBER SUTTON: Yes.
20	ASSISTANT SECRETARY FLETCHER: And Chair
21	Hobert?
22	CHAIR HOBERT: Yes.
23	ASSISTANT SECRETARY FLETCHER: Again, this is
24	Brad Fletcher. Chair Hobert, in accordance with



1 Section 2.01 of the Open Meetings Act as amended,
 2 a quorum of Members has been constituted, including
 3 Jim Fuentes participating remotely. I also note
 4 that Member Poole is attending at the Mount Vernon
 5 location, while the Chair and the rest of the
 6 Members are attending from the Chicago location.

7 For anyone from the public
 8 participating via phone, you can mute your line, you
 9 may press star six on your keypad if you do not
 10 have that feature on your phone.

11 As a reminder, we are being recorded
 12 and a Court Reporter is transcribing today's
 13 proceedings. For consideration of the Court
 14 Reporter, I would like to ask that each Member
 15 state their name before making or seconding a
 16 motion or otherwise providing any comments for the
 17 record.

18 The Agenda for this public meeting
 19 was posted in the lobby and on the tenth floor of
 20 160 North LaSalle Street in Chicago and was posted
 21 on the front door of Suite 7B of 2929 Broadway
 22 Street in Mount Vernon, in each case as of last
 23 Thursday, August 3rd, 2023.

24 The Agenda for this public meeting

1 was further posted on the Authority's website more
 2 than 48 hours before the start of this public
 3 meeting. Building Security at 160 North LaSalle
 4 Street in Chicago has been advised any members of
 5 the public who choose to do so and choose to comply
 6 with the building's public health and safety
 7 requirements may come to this room and listen to
 8 the proceedings.

9 Finally, I confirm that I can see
 10 and hear the Mount Vernon location clearly. Member
 11 Poole, can you confirm that this audio and video
 12 conference is clearly seen and heard at the Mount
 13 Vernon location?

14 MEMBER POOLE: Yes. This is Roger Poole. I'm
 15 physically present at the Mount Vernon location and
 16 I confirm that I can see and hear the Chicago
 17 location clearly. The Mount Vernon location is open
 18 to any members of the public who choose to come to
 19 this location to participate in the proceedings,
 20 thank you.

21 ASSISTANT SECRETARY FLETCHER: This is Brad
 22 Fletcher. Thank you, Roger. If any members of the
 23 public participating via video or audio conference
 24 find that they cannot see or hear these proceedings



1 clearly, please call (312) 651-1300, or write
 2 info@IL-IFA.com immediately to let us know. We will
 3 endeavor to solve the video or audio issue.

4 CHAIR HOBERT: This is Will Hobert. Does
 5 anyone wish to make any additions, edits or
 6 corrections to today's agenda? Hearing none, I'd
 7 like to request a motion to approve the agenda. Is
 8 there such a motion?

9 MEMBER BERES: This is Drew Beres, so moved.

10 MEMBER JURACEK: This is Arlene Juracek.
 11 Second.

12 CHAIR HOBERT: This is Will Hobert. All those
 13 in favor?

14 (There was a chorus of ayes.)

15 CHAIR HOBERT: Opposed? This is Will Hobert,
 16 the ayes have it and the motion carries.

17 Next on the agenda is public
 18 comment.

19 ASSISTANT SECRETARY FLETCHER: Brad Fletcher.
 20 If anyone from the public participating via video
 21 and audio conference wishes to make a comment, please
 22 indicate your desire to do so by using the raise-hand
 23 function. Click on the raise-hand option located on
 24 the right side of

1 your screen. If anyone from the public is
 2 participating via phone wishes to make a comment,
 3 please indicate your desire to do so by using the
 4 raise-hand function by pressing star nine.

5 CHAIR HOBERT: This is Will Hobert. Is there
 6 any public comment for the Members?

7 Hearing none, again, this is Will
 8 Hobert. Welcome to the August 8th, 2023, in-person
 9 meeting of the Illinois Finance Authority. This
 10 morning, as noted by Assistant Secretary Fletcher,
 11 our public meeting is linked through an interactive
 12 video conference between our Chicago office and our
 13 publicly accessible and available Authority office
 14 in Mount Vernon, Illinois, where our colleague,
 15 Roger Poole, is present.

16 As I stated last month and I strongly
 17 emphasize again today, in-person quorum is vital to
 18 the public work of the Authority. We cannot act
 19 and cannot meet our public obligations without a
 20 physical, not a remote, quorum of at least eight
 21 members. We have eight today, but just barely.
 22 We are all volunteers who have day jobs that require
 23 time and commitment, and I understand that the time
 24 Authority Members have to devote to public service



1 will vary widely, but you must be able to make the
 2 in-person meetings which allows us to meet our
 3 statutory quorum mandate.

4 The first matter will be the election
 5 of the Authority Vice Chair. Our colleague Roxanne
 6 Nava has graciously agreed to serve another term.
 7 As you will recall, last month, to avoid any
 8 ambiguity with a quorum of only eight, we pulled
 9 the Vice Chair item from the agenda until we could
 10 speak with outside counsel. We have now consulted
 11 with outside counsel to ensure that we have no
 12 issues with all eight of us present today, including
 13 Roxanne, voting for her as Vice Chair.

14 On this morning's agenda, we welcome
 15 OSF Health Care Systems an essential healthcare
 16 delivery asset for Illinois and the Midwest,
 17 headquartered in Peoria. Tom Ott, OSF Vice President
 18 for Treasury will join us to say a few words about
 19 OSF's bond project to be delivered through the
 20 Authority's Sequential Secured Capital Product.

21 We have -- we also have a
 22 time-sensitive bond amendment for the Illinois
 23 College of Optometry and a beginning farm bond for
 24



1 a project located in Clinton County. We will also
 2 add a new Authority Assistant Secretary, Claire
 3 Brinley, who will be working with the Members on the
 4 Authority matters. Welcome to the Authority team,
 5 Claire.

6 Finally, we have often discussed the
 7 Illinois Climate and Equitable Jobs Act, or CEJA.
 8 For several months, Member Pawar, Chris and I have
 9 had an ongoing and regular dialogue with a group of
 10 CEJA inclusive financing advocates representing the
 11 Illinois Clean Jobs Coalition led by Don Carlson,
 12 John Delurey and others. This productive
 13 conversation led to the adoption of the Guiding
 14 Principles in the Authority's June meeting.

15 In addition to designating the
 16 Authority as the Climate Bank, CEJA also created a
 17 new not-for-profit entity with Board members
 18 appointed by the Governor, the Illinois Clean Energy
 19 Jobs and Justice Fund, or to keep the record clear,
 20 the CEJA Fund. We believe that the existence of the
 21 CEJA Fund will enhance our State's prospects in the
 22 competition for Federal energy dollars. Chris and
 23 I recently spoke to the CEJA Fund Chair, Memuna Lee.
 24 I'm very happy to welcome Chair Lee, Vice Chair Joel



1 Freehling and several of our colleagues who will
 2 have the opportunity to speak to us during the other
 3 business section of the agenda. Chris?

4 EXECUTIVE DIRECTOR MEISTER: Thanks, Will.
 5 This is Chris Meister. As highlighted in my written
 6 message, the first receipt of Federal funds by the
 7 Authority since our statutory designation of the
 8 Climate Bank is a very -- is very important and
 9 marks a new chapter for the Authority and sets the
 10 stage for the formal end of the Authority's
 11 Transformation Initiative begun in February of
 12 2018.

13 Later in the agenda, during my
 14 request for the modification of the Authority
 15 Climate Bank Plan, the monthly Climate Bank Report
 16 and Six's financial report, we will go into greater
 17 detail about the United States Department of Energy
 18 RECI -- I'll spell out the amendment later --
 19 competitive Federal Funds Award to Elevate Energy,
 20 the Green Buildings Alliance and the Authority, the
 21 receipt of more than \$3 million of U.S. Treasury
 22 Funds for the State Small Business Climate
 23 Initiative also known as SSBCI, a loan product
 24 through private lenders and a grant from our



1 colleague agency DCEO and other Federal funding
 2 developments, including and importantly the U.S.
 3 EPA Greenhouse Gas Reduction Fund or GGRF, a
 4 three-part Federal funding competition. Back to you,
 5 Will.

6 CHAIR HOBERT: This is Will Hobert. There
 7 were no Committee meetings held this morning.

8 Next is the presentation and
 9 consideration of new business items. First, we will
 10 consider New Business Item 4, the resolution for
 11 the election of a Vice Chair of the Authority.
 12 Accordingly, I would like to request a motion
 13 nominating any member to be Vice Chair of the
 14 Authority. Is there such a motion?

15 MEMBER JURACEK: This is Arlene Juracek, I move
 16 to nominate Roxanne Nava as Vice Chair.

17 MEMBER PAWAR: This is Ameya Pawar, second.

18 CHAIR HOBERT: This is Will Hobert. Will the
 19 Assistant Secretary please call the roll?

20 ASSISTANT SECRETARY FLETCHER: Brad Fletcher.

21 On the motion by Member Juracek and second by Member
 22 Pawar, nominating Roxanne Nava as Vice Chair, I will
 23 call the roll.

24 Member Beres?



1	MEMBER BERES: Yes.	Page 13
2	ASSISTANT SECRETARY FLETCHER: Member Fuentes?	
3	MEMBER FUENTES: Yes.	
4	ASSISTANT SECRETARY FLETCHER: Member	
5	Juracek?	
6	MEMBER JURACEK: Yes.	
7	ASSISTANT SECRETARY FLETCHER: Member Nava?	
8	MEMBER NAVA: I'll abstain.	
9	ASSISTANT SECRETARY FLETCHER: The reason for	
10	abstention?	
11	MEMBER NAVA: I choose not to vote for myself.	
12	ASSISTANT SECRETARY FLETCHER: And the subject	
13	of the nomination?	
14	MEMBER NAVA: And the subject of the	
15	nomination.	
16	ASSISTANT SECRETARY FLETCHER: Thank you very	
17	much. Member Pawar?	
18	MEMBER PAWAR: Yes.	
19	ASSISTANT SECRETARY FLETCHER: Member Poole?	
20	MEMBER POOLE: Yes.	
21	ASSISTANT SECRETARY FLETCHER: Member Ryan?	
22	MEMBER RYAN: Yes.	
23	ASSISTANT SECRETARY FLETCHER: Member Sutton?	
24	MEMBER SUTTON: Yes.	



1	ASSISTANT SECRETARY FLETCHER: And Chair	Page 14
2	Hobert?	
3	CHAIR HOBERT: Yes.	
4	ASSISTANT SECRETARY FLETCHER: And the ayes have it	
5	and the motion carries. Member Roxanne Nava has been	
6	elected Vice Chair. Congratulations.	
7	CHAIR HOBERT: Will Hobert. Congratulations Roxanne.	
8	MEMBER NAVA: Thank you.	
9	CHAIR HOBERT: I would now like to ask for the	
10	general consent of the Members to consider New	
11	Business Items 1, 2, 3 and 5 collectively and to have	
12	the subsequent recorded vote applied to each	
13	respective individual New Business items, unless	
14	there are any specific New business items that a	
15	Member would like to consider separately.	
16	Hearing no need for separate	
17	consideration or recusal, I'd like to consider New	
18	Business Items 1, 2, 3 and 5 under the consent agenda	
19	and take a roll call vote. Sara?	
20	MS. PERUGINI: This is Sara Perugini. Thank	
21	you, Chair Hobert.	
22	At this time, I would like to note	
23	that for each conduit New Business Item presented on	
24		



1 today's agenda, the Members are considering the
 2 approval only of the resolution and the
 3 not-to-exceed amount contained therein.

4 Item 1, OSF Healthcare System. Item
 5 1 is a one-time Final Bond Resolution providing for
 6 the issuance of not to exceed \$35 million in
 7 aggregate principal amount of Revenue Notes or
 8 Bonds, Series 2023 (OSF Healthcare System Project,
 9 hereinafter the "Bonds"), the proceeds of which
 10 are to be loaned to the OSF Healthcare System,
 11 (hereinafter, the "Borrower") and certain of its
 12 affiliates. This is the second financing under the
 13 Sequential Secured Capital Product which is a
 14 concept that has been long in development and
 15 incorporated into the Transformation Initiative in
 16 2018. The Sequential Secured Capital Product offers
 17 conduit borrowers the ability to create a small
 18 tranche of low-interest medium-term capital to
 19 finance or refinance assets. The security for the
 20 Bonds is the equipment and capital budget items
 21 financed or refinanced with the Bonds.

22 Proceeds will be used by the
 23 Borrower, Ottawa Regional Hospital and Healthcare
 24 Center, d/b/a OSF Saint Elizabeth Medical Center,

1 and Mendota Community Hospital d/b/a OSF St. Paul
 2 Medical Center, each an Illinois not-for-profit
 3 corporation, (collectively, the "Corporations"),
 4 together with certain other funds to, one, pay or
 5 reimburse the Corporations for or refinance the
 6 costs of equipping certain healthcare facilities
 7 owned by the Corporations; two, pay a portion of
 8 interest on the Bonds, if deemed necessary or
 9 advisable; three, fund a debt service reserve fund,
 10 if deemed necessary or advisable; four, provide
 11 working capital to the Borrower if deemed necessary
 12 or advisable; and, five, pay certain expenses
 13 incurred in connection with the issuance of the
 14 Bonds.

15 The Bonds will be directly purchased
 16 by Banc of America Public Capital Corp. in accordance
 17 with existing Authority Bond Handbook requirements
 18 and will not be rated due to the bank direct
 19 purchase structure. The Borrower has underlying
 20 ratings of "A," Stable Outlook, by S&P Global
 21 Ratings as of March 30, 2023; and "A plus" Stable
 22 Outlook by Fitch as of March 29th 2023.

23 Does any Member have any questions or comments?
 24 Hearing none, I'm pleased to

1 introduce and welcome back Tom Ott, Vice President,
 2 Treasury, for OSF Healthcare System. Tom, would
 3 like to briefly address the Members? Tom?

4 Okay. Tom, we are sorry we missed
 5 you, but this is Sara Perugini, and the Authority
 6 looks forward to working with you and the rest of
 7 the OSF team again.

8 Item Number 2 is the Beginning Farmer
 9 Bond, Samuel Britt. Item 2 is the Beginning Farmer
 10 Bond request. Staff request approval of a one-time
 11 Final Bond Resolution for Samuel Britt in a
 12 not-to-exceed amount of \$200,250. Mr. Britt is
 13 purchasing approximately 40 acres of farmland
 14 located in Clinton County. Peoples State Bank of
 15 Newton is the purchasing bank for this conduit
 16 transaction.

17 This concludes the Beginning Farmers
 18 Bonds, Agenda Item 2. Does any Member have any
 19 questions or comments?

20 Item Number 3, Illinois College of
 21 Optometry. Item 3 is a resolution authorizing and
 22 approving the execution and delivery of a First
 23 Supplemental Trust Indenture relating to the
 24 Illinois Finance Authority Revenue Refunding Bonds,

1 Series 2013, (Illinois College of Optometry) and
 2 related matters.

3 Illinois College of Optometry, an
 4 Illinois not-for-profit corporation, (the
 5 "Borrower"), and Wintrust Bank, National
 6 Association, ("the Bank"), are requesting approval
 7 to authorize and approve, one, the execution and
 8 delivery of a First Supplemental Trust Indenture;
 9 and two, related documents to effectuate an
 10 extension of the Bank Term Rate Period and change
 11 in the interest rate borne on the outstanding Series
 12 2013 Bonds. Bond counsel anticipates that this
 13 transaction will not be considered a reissuance for
 14 tax purposes. Given the conduit financing
 15 structure, the Bank will continue to assume 100
 16 percent of the Borrower default risk.

17 Nixon, Peabody L.L.P. has been
 18 engaged by the Borrower as bond counsel. Does any
 19 Member have any questions or comments?

20 Item number 5, Assistant Secretary
 21 appointment. Item 5 is an Assistant Secretary
 22 appointment. This resolution appoints Claire
 23 Brinley, the Authority's new Policy Analyst, as an
 24 Assistant Secretary of the Authority. Does any



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1	Member have any questions or comments?
2	CHAIR HOBERT: This is Will Hobert. Thank you,
3	Sara. I would like to request a motion to pass and
4	adopt the following New Business Items, Items 1, 2,
5	3 and 5. Is there such a motion?
6	MEMBER NAVA: This is Roxanne Nava, so moved.
7	MEMBER PAWAR: This is Ameya Pawar. Second.
8	CHAIR HOBERT: This is Will Hobert. Will the
9	Assistant Secretary please call the roll?
10	ASSISTANT SECRETARY FLETCHER: This is Brad
11	Fletcher. On the motion by Member Nava and second
12	by Member Pawar, I'll call the roll.
13	Member Beres?
14	MEMBER BERES: Yes.
15	ASSISTANT SECRETARY FLETCHER: Member Fuentes?
16	MEMBER FUENTES: Yes.
17	ASSISTANT SECRETARY FLETCHER: Member Juracek?
18	MEMBER JURACEK: Yes.
19	ASSISTANT SECRETARY FLETCHER: Member Nava?
20	MEMBER NAVA: Yes.
21	ASSISTANT SECRETARY FLETCHER: Member Pawar?
22	MEMBER PAWAR: Yes.
23	ASSISTANT SECRETARY FLETCHER: Member Poole?
24	MEMBER POOLE: Yes.

	Page 20
1	ASSISTANT SECRETARY FLETCHER: Member Ryan?
2	MEMBER RYAN: Yes.
3	ASSISTANT SECRETARY FLETCHER: Member Sutton?
4	MEMBER SUTTON: Yes.
5	ASSISTANT SECRETARY FLETCHER: Finally, Chair
6	Hobert.
7	CHAIR HOBERT: Yes.
8	ASSISTANT SECRETARY FLETCHER: Again, this is
9	Brad Fletcher. Chair Hobert, the ayes have it and
10	the motion carries.
11	CHAIR HOBERT: This is Will Hobert. Six, will
12	you please present the financial reports?
13	MS. GRANDA: This is Six Granda. Thank you,
14	Chair Hobert. Good morning, everyone.
15	At the last Board meeting, I
16	presented Fiscal Year 2023 preliminary financial
17	report. At this time, I want to provide updated
18	numbers for Fiscal Year 2023.
19	Our total annual revenues ended at
20	\$4.1 million. There was a slight increase of \$670
21	from last month's report. Our total annual expenses
22	ended at \$3.5 million. There was a decrease of
23	\$28,350 from last month's report. This is due to
24	our request for a reimbursement from the IEPA for

1 financial services paid by the Authority. Our total
 2 annual net income ended at \$577,000, an increase of
 3 \$29,020 from the last month's report.

4 On July 31st, 2023, the Authority's
 5 submitted our first quarterly report for Fiscal Year
 6 2023 for the SSBCI/DCEO grant. The report requested
 7 a reimbursement of \$114,000. The Authority is
 8 waiting for the determination from DCEO, the grantor,
 9 as to whether the costs submitted are within the
 10 grant agreement. The SSBCI/DCEO grant fund is
 11 reported within the general operating fund financial
 12 statements as if it were a part of the general fund.
 13 We're highlighting this process because we expect
 14 other Federal funding to take analogous to this
 15 reporting structure.

16 Moving on to Fiscal Year 2024,
 17 beginning with operating revenues, our year-to-date
 18 operating revenues of \$171,000 are \$62,000 or 26.6
 19 percent higher than budget. This is primarily
 20 attributable to the Authority posting an annual
 21 fee, administrative service fee and interest on
 22 loans of \$14,000 higher than budget, while our
 23 closing fees and other revenues of \$75,000 are
 24 lower than budget.

1 Our operating expenses of \$273,000
 2 are \$104,000 or 27.6 percent lower than budget.
 3 This is primarily attributable to the Authority
 4 posting annual employee-related expenses and
 5 professional services of \$97,000 lower than budget,
 6 due to the reduced staff head count and lower than
 7 expected professional services.

8 Taken altogether, the Authority
 9 posting for the month an Operating Net Loss of
 10 approximately \$102,000.

11 Moving on to the nonoperating
 12 activity, our year-to-date interest and investment
 13 income of \$125,000 are \$42,000 or 25 percent lower
 14 than budget. The Authority posted \$129,000
 15 mark-to-market noncash appreciation in its investment
 16 portfolio. This noncash appreciation coupled with an
 17 approximately \$8,000 of realized loss on the sale of
 18 certain Authority investments will result in a
 19 year-to-date Investment Income Position of \$246,000,
 20 which is \$79,000 higher than budget.

21 Our year-to-date Operating Loss of
 22 approximately \$102,000 and the year-to-date
 23 investment position of \$246,000 will result in a
 24

1 year-to-date Net Income of approximately \$144,000 which is \$121,000 higher than budget.

The General Fund continues to maintain a net position of \$59 million as of July 31st, 2023. Our total assets in the General Fund are \$61.5 million, consisting mostly of cash, investments and receivables. Unrestricted cash and investments total \$47.8 million, with \$2.8 million in cash. Our notes receivable from the former Illinois Rural Bond Bank local governments totaled \$4.3 million. Participation Loans, Natural Gas Loans and our DACA loans and other loan receivables are at \$7.1 million.

In July, the Authority received \$3,035,000 from the Department of Commerce for our SSBCI Grant.

Now moving on to our audit, the Fiscal Year 2022 Financial Audit Examination and the Two-Year Compliance Examination for Fiscal Year 2022 and Fiscal Year 2023 are in progress. At this time, nothing to report.

Moving on to Human Resources, as everybody welcome our new Staff Member Claire Brinley, Clair will be working very closely with



the Board Members, Director Meister and the rest of the Senior team. So welcome, Claire.

At this time, we have the report for the Climate Bank. Director Meister.

CHAIR HOBERT: Oh, no. Before we move on to that report, Tom Ott is on the line. Sara, would you introduce him?

MS. GRANDA: Thank you.

MS. PERUGINI: Yes. Chair and Members, I previously presented Item Number 1 for OSF Healthcare System. At this time, I'm pleased to introduce and welcome back Tom Ott, Vice President, Treasury, for OSF Healthcare System. Tom, would like to briefly address the Members. Tom?

MR. OTT: All right. Thank you, Sara. Can everyone hear me?

MS. PERUGINI: Yes.

CHAIR HOBERT: Yes.

MR. OTT: Okay. Good morning. I apologize for the mix-up on the time, it's on my calendar for starting at 9:30, so I thought, well, I'm checking in six minutes early, so obviously that wouldn't work out.

Just a big thank you to the IFA.



1 Over the last 20 years, you've been one heck of a
 2 partner to OSF, supporting all of our financing and
 3 our bond deals and, more importantly, supporting
 4 our religious services throughout the Central
 5 Illinois region.

6 And I wish I could be in front of you
 7 today, most like the other times I've been in front,
 8 but today it prevents me with the number of
 9 appointments I have going on; but today we're working
 10 with BOA and, of course, IFA on a \$35 million loan.
 11 This financing will help OSF secure healthcare
 12 assets in the Central Illinois region,
 13 specifically in the Peru region, which will allow
 14 OSF to extend its ministries and help folks with
 15 their healthcare needs. So, again, a big thank you
 16 to the IFA.

17 MS. PERUGINI: This is Sara Perugini. Thank
 18 you, Tom. The Authority looks forward to working
 19 with you and the rest of the OSF team again.

20 EXECUTIVE DIRECTOR MEISTER: And, Tom, could I have
 21 one follow-up question? It's Chris Meister.

22 MR. OTT: Sure.

23 EXECUTIVE DIRECTOR MEISTER: Could you just go in a
 24 little deeper on the expansion of the mission

1 and the enhancement of the OSF mission in the
 2 Peru/LaSalle County region area? You had mentioned
 3 that, I think it's very important.

4 MR. OTT: Yeah. So we're working to acquire
 5 the St. Margaret's Healthcare facility in the Peru
 6 Region there. As many of you know, the healthcare
 7 system has just been fighting financial difficulties
 8 over the last three years here. And St. Margaret's
 9 has had difficulty, so we're trying to bring St.
 10 Margaret's under our umbrella and provide OSF
 11 Healthcare services to that region.

12 EXECUTIVE DIRECTOR MEISTER: So thank you for
 13 clarifying that. I had gotten a call on that from
 14 some advocates on behalf of St. Margaret's several
 15 months ago. So on behalf of all of us, we're
 16 grateful to OSF for stepping in. We understand how
 17 important St. Margaret's is for that section of the
 18 State, it provides essential services. So thank you.

19 MR. OTT: And thank you to the IFA and thank
 20 you BoFa, too.

21 CHAIR HOBERT: This is Will Hobert. Thank you,
 22 Tom and Chris. Now on to you for the Climate Bank
 23 update.
 24



1 EXECUTIVE DIRECTOR MEISTER: Thank you very
2 much, Chair Hobert.

3 For the Members and guests, I'm
4 going to be covering three elements on pages 34 is
5 the standing report, page 37 is the PowerPoint, and
6 importantly, pages 51 through 53 are the proposed
7 modifications to the Climate Bank Plan that was
8 adopted by the Members last November.

9 Again, also, I know that Chair Hobert
10 did so, but we do want to extend a special welcome
11 to Chair Memuna Lee of the CEJA Fund and her
12 colleagues. They'll be speaking under Other
13 Business, I think they're going to be an important
14 competitive advantage for all of us in the State
15 competing for these Federal funds.

16 So turning to page 34, under the
17 November Climate Bank Plan Resolution, Section
18 Number 5 of Resolution 2022-110-EX16, as Executive
19 Director, I'm obligated to report to all of you
20 publicly about the progress over the last month, so
21 I'm going to run through these quickly.

22 On July 6th, shortly after the notice
23 of funding opportunity was released by the U.S. EPA,
24 IFA held a listening session. We have had a number



1 of these. Chair Hobert, I think -- we've had so
2 many, I'm getting them confused. Hobert presided over
3 the one later on in the month -- which I'll get to --
4 staff did July 6th.

5 So Solar for All or SFA under the
6 GGRF or Greenhouse Gas Reduction Fund is very
7 important because it's a competitive national
8 competition, U.S. EPA expects about 60 awards.
9 States were required to follow -- or to file Notices
10 of Intent by July 31st. We were fortunate in the
11 State or with the Authority that Governor Pritzker
12 signed our notice of intent, it was filed on July
13 the 24th and then it was posted by U.S. EPA on its
14 website on the evening of August the 1st. There is
15 a link to that -- to that in my message from the
16 Executive Director.

17 And I think it's important to note
18 that there were a handful of authorities and climate
19 and green banks that were actually designated by
20 their governors. We were among those. Illinois,
21 Hawaii, Ohio which is a bond issuing agency like
22 us, Missouri similarly a bond issuing agency. Many
23 of the other states actually went to the -- their
24 state energy office. So I think it speaks highly of



1 the collective "us" that the Governor's Office has
 2 faith in us to be applying for this rather large
 3 sum of money.

4 We've been working with the
 5 Department of Commerce and Economic Opportunity,
 6 also through CEJA, they're getting large sums of
 7 State money which we believe will be complementary.
 8 Similarly, there is the Illinois Housing Development
 9 Authority, like us, a bond issuing and financing
 10 agency for affordable housing, and the Illinois
 11 Power Agency which is a separate agency that develops
 12 what are known as Solar RECS that are a form of
 13 equity in solar and renewable development, so we've
 14 been having those working group discussions.

15 On July the 12th, our partner, a
 16 nonprofit, Elevate Energy, advised that the U.S.
 17 Department of Energy had awarded a collective team
 18 of us, Elevate, the Green Building Alliance for --
 19 this is what RECI stands for, the Resilient and
 20 Efficient Codes Implementation Act, that is a four-
 21 to four-and-a-half million dollar award to the
 22 collective "us." We will get some money for head
 23 count. There will be a resilient building hub aimed
 24



1 at disadvantaged businesses both for teaching the
 2 skills and providing financing. We hope that Brad
 3 and C-PACE as well as our SSBCI will be before us.
 4 Importantly, and, again, I think this
 5 speaks well of where we sit in the solar system of
 6 State government, the Governor's Office, the
 7 Administration, had identified some funds for IFA
 8 for the non Federal match, that of about \$250,000.
 9 Most of this Federal funding has non Federal match,
 10 so we expect to have some sort of grant in the
 11 coming months through DCEO on that.

12 I spoke briefly to a group of
 13 electric vehicle businesses on July the 12th. We
 14 spoke -- we did so at the invitation of the
 15 Bronzeville Development Group, one of our
 16 anticipated partners in GGRF. On July the 14th, we
 17 received the \$3 million that Six and I had
 18 mentioned. On July the 20th, that was the listening
 19 session on GGRF for the -- we focused primarily on
 20 the second pot -- there are three pots -- \$7 billion
 21 for the Solar for All, \$14 billion for the National
 22 Clean Investment Fund or Fund, and then \$6 billion
 23 for the Clean Communities Investments Accelerator or
 24 Accelerator. That went well. We had 70-plus



1 participants, I'm grateful for Will for presiding
2 over that.

3 On July the 26th, one of our
4 contracting partners, Lerry Knox, myself, and Evans
5 Joseph, our colleague on the SSBCI, at the invitation
6 of the Steans Family Foundation, spoke to a variety
7 of lenders and heard about a South Lawndale Economic
8 Development Project from the advocates, including IFF
9 and we're aware of that relationship and we are
10 watching it.

11 MS. NAVA: Thank you.

12 EXECUTIVE DIRECTOR MEISTER: So far, there is no
13 near occasion of sin (phonetic).

14 On July 27th, I spoke before a group
15 of the United States Contractor -- United States
16 Minority Contractor's Association out in Itasca on
17 various Federal funding opportunities, including the
18 CHIPS Act. And as always, we continue to engage in
19 the Coalition for Green Capital, the group of
20 developing Green Climate Banks across the country.
21 On Friday, I was on the call with -- representing,
22 I believe 38, jurisdictions. I received a proposed
23 balance sheet, this is all on the GGRF Fund and the
24 GGRF -- the GGRF Accelerator. I think last month



1 I mentioned that the grants -- the capital grants
2 under the GGRF Accelerator were expected to be \$5
3 million, they are now have been raised to \$10 million
4 which I think will allow greater opportunities for
5 local lenders.

6 Again, GGRF Solar for All or SFA,
7 that is going to be the IFA as a direct applicant.
8 The \$14 billion Fund means that all of us work with
9 the Administration on identifying one or more
10 national nonprofits to apply; and similarly on the
11 Accelerator which is \$6 billion, same, we need to
12 work with the Administration to make sure that we
13 identify one or more national applicants.

14 Again, I mentioned the CEJA Fund and
15 Chair Memuna Lee. I do just want to bring us back
16 to June, too, one of the things that we did was
17 adopt guiding principles for our interactions with
18 the CEJA Fund. That was adopted in June and a copy
19 of that has been provided to Memuna Lee and her
20 colleague.

21 Now, because I'd like to show rather
22 than talk, Rob, we're going to run through this
23 really quickly, but if you could turn to page 38,
24 because I think this is a slide that really stood



1 out for me, it was presented by Yasmin Yacoby of
 2 the U.S. Department of Energy at last September's
 3 National Green Bank Summit. And this was sort of
 4 seared into my brain not just because of the issue
 5 that it represents, but the opportunities before us
 6 and the position of the Federal Government.

7 I'm using this slide by the
 8 permission of the U.S. Department of Energy. So
 9 this is a red-lining slide of, I think, the cities
 10 of Pittsburgh and Baltimore. As the Members know,
 11 in the New Deal, there were Federal single-family
 12 home loans that were guaranteed and there were large
 13 parts of this country, people in communities that
 14 were cut out and it was known as red-lining, it was
 15 a function of racism.

16 So I think it's important for all of
 17 us to understand that not just under our State
 18 policies of CEJA, but also under the policies of
 19 the Federal Government, this alphabet soup of
 20 Federal funding opportunities for climate are aimed
 21 at addressing and remedying the mistakes of the past
 22 and not repeating those same mistakes in the future,
 23 it's very important. And I've been in and around
 24 government for a long time, I've never seen anybody

1 -- particularly somebody at a senior level of the
 2 Federal government -- talk about the elephant in the
 3 room in this country, so that's why it's sort of a
 4 center piece.

5 Next slide. So this was CEJA, again,
 6 I think this is part of import and the vision
 7 of the Governor with CEJA. I'm just going to
 8 highlight my favorite phrase, because it allows all
 9 of us to have the same conversations in Jackson
 10 County, Illinois, where Carbondale is located, and
 11 on West Jackson Boulevard in the City of Chicago.

12 So the Authority's mission is to accelerate the
 13 investment of private capital into clean energy
 14 projects in a manner that reflects the geographic,
 15 racial, ethnic, gender and income diversity of the
 16 State. I think that matches up very nicely with
 17 the red-lining slide, everybody in, nobody out.

18 Next slide. Again, just by the
 19 Members and all the staff doing our jobs, this is
 20 what we did in the first full calendar year of our
 21 Climate Bank designation. We mobilized a quarter
 22 of a billion dollars of capital. Importantly, our
 23 colleague Brad, \$23 million was C-PACE which is
 24 purely a State local capital, no public subsidy

1 financial structure and 65 percent of these
 2 investments all funded by private capital were
 3 made or to benefit disadvantaged communities.

4 I do want to just draw the tide
 5 back to the important work that OSF is doing,
 6 because I have some familiarity with that Illinois
 7 River Valley and St. Margaret's Hospital. It's --
 8 these disadvantaged communities are not just limited
 9 to urban areas, there are places across this State
 10 and I think we were very fortunate to have OSF
 11 stepping into that healthcare gap in the Illinois
 12 River Valley.

13 Next slide. This is the alphabet
 14 and funding soup. All the way on the left on page
 15 41, the GRID. So you've heard me talk about the
 16 SSBCI, our colleague Luboff -- Stan Luboff corrected
 17 me, it's actually the State Small Business Credit
 18 Initiative, I transposed Climate for Credit.

19 The GRID, U.S. Department of Energy,
 20 this is formula funding. We submitted our
 21 application several months ago. DOE reached out
 22 to us and had a couple of questions, including we
 23 pressed the envelope a little bit. We had received
 24 some information that the planting of native trees



1 along utility lines were going to lead to less
 2 problems, less damage to lines than weed trees or
 3 invasive species trees, we put that into our
 4 application. Department of Energy thought that was
 5 unusual. We've thought about dropping it, so we'll
 6 let you know if they actually buy our argument.
 7 Importantly for all of us, they told us that we
 8 could be receiving up to \$16 million in late
 9 September. This is going to be \$8 million a year
 10 over a five-year period, and much of this will be
 11 distributed by way of grants, not financing.

12 We've talked about RECI, we've talked
 13 about SSBCI. The Revolving Fund I'm going to get
 14 into, there is a very, very lengthy and complex
 15 intergovernmental agreement with our colleagues at
 16 State IEPA. The GRIP program, we're awaiting
 17 communication, that is a competitive grant as is
 18 the DOT electric vehicle charging, and you've
 19 already heard me talk about GGRF, but on to the
 20 next slide.

21 And, again, we're talking a lot
 22 about GGRF because it is a lot of money and it is
 23 unprecedented. So, again, going back to what the
 24 Federal policies are, and they're also very explicit



1 just like the red-lining slide. The theme across
 2 all of these programs is four-fold, quantifiable
 3 progress on climate goals, build it here in the
 4 U.S.A. for our national security grounds, Justice
 5 and a priority for labor. You'll hear that out of
 6 the Federal Government time and time again, those
 7 are the four points.

8 The GGRF talks about, again,
 9 quantifiable measures to reduce greenhouse gas and
 10 other pollutants, benefit particularly for low income
 11 and disadvantaged, again, across the State and
 12 across the country and to mobilize private capital.

13 Next page. This is the three buckets.
 14 Next page, these are a little bit more detailed, I
 15 think it's also important scaling and using
 16 commercially available technology and mobilizing
 17 private capital and a but-for would not otherwise
 18 be financed.

19 Next page. Some of the elements that
 20 we may be able to spend money on. And next page.
 21 this is the timeline, Solar for All is due September
 22 the 26th, and then the Fund and the Accelerator are
 23 going to be due on October the 12th.

24



2 Next page, this -- these are the
 3 focuses of the buckets under the GGRF, and so one
 4 of the big themes of CEJA is making Illinois the
 5 best place to build, own, operate electric vehicles,
 6 zero emission electric transportation is going to
 7 be one of our priorities, as well as zero emission
 8 buildings in low income and disadvantaged and
 9 distributed generation.

10 Next page. And all the way in the --
 11 this is another illustration of the alphabet soup,
 12 lower right, that is the Department of Energy Loan
 13 Program's Office, you've heard me talk about it
 14 before. They reached out to us, again, last night.
 15 We had had some preliminary discussions on a large
 16 scale, innovative economic development project and
 17 this sort of responsiveness from DOE/LPO is really
 18 vastly different than when I worked with DOE/LPO
 19 about ten years ago during stimulus. That was more,
 20 hey, nice to meet you, don't call us, we'll call
 21 you; and this time it was, hey, I know we've talked,
 22 do you have any other great ideas for us. So it's
 23 radically different.

24 Next page. This is the place mat,



1 these are all the ideas that we have been intaking
 2 and integrating in all of our discussions when Will
 3 and Ameya and I talk to the CEJA Advocates, when we do
 4 the listening sessions, when we hear from other
 5 groups.

6 Ameya, I highlighted the Direct Pay,
 7 I know you've run across something like that?

8 MEMBER PAWAR: Yeah. I just quickly had a
 9 question about, you know, I think there's a lot of
 10 conversations about the potential for direct pay,
 11 but if you could maybe say a few words about how
 12 we might be able to kind of interface with the IRS
 13 Direct Pay Program to kind of scale some of our
 14 efforts.

15 EXECUTIVE DIRECTOR MEISTER: Great, great question.
 16 These are variously known as Section or Chapter 45 of
 17 the Internal Revenue Code. I think all of you may
 18 have in reading about all of these resources, it's
 19 mentioned. It may be, in fact, the largest financial
 20 incentive available under the Inflation Reduction Act.
 21 And like most credits, you need to make the
 22 investment first and then get the credit, which is
 23 fine for people that have a balance sheet, but for
 24 people that don't, we believe that there

1 is an opportunity under either our balance sheet
 2 or more hopefully some of these other Federal
 3 balance sheets that we can make bridge loans to
 4 these.

5 This is the important point for all
 6 of us on these climate goals. Number one, you're
 7 not just limited to people with taxpayer liability,
 8 so nonprofits, local governments, cities and towns,
 9 school districts, all of whom are eligible. We've
 10 been working with outside counsel, we did some
 11 presentation to the DCEO regional folks, so I think
 12 that's a more "will-be-revealed" point, but it's
 13 very, very important and it could be the largest
 14 amount of climate subsidy and incentive available
 15 under the Inflation Reduction Act.

16 MEMBER PAWAR: I just had one more question.

17 EXECUTIVE DIRECTOR MEISTER: Sure.

18 MEMBER PAWAR: I know with Direct Pay, there's
 19 some estimates that I think it could be as big as
 20 \$800 billion, so it's New Deal-esque. And I
 21 appreciate you having a slide on red-lining, because
 22 it wasn't just about excluding some communities from
 23 home lending, but also access to capital to start or
 24 expand their business. And if you could say a

1 little bit about working capital for BIPOC businesses
2 that would be great.

3 EXECUTIVE DIRECTOR MEISTER: Hey, thank you.

4 The working capital, again, as some
5 of the longer-termed Members know, parts of our
6 statute are very, very old and so there was a real
7 bias towards real estate, bricks and mortar,

8 depreciable equipment. It doesn't always give us
9 the right tools in the current economy, and so we had
10 struggled with that over a number of years. And that
11 was one of -- other than giving us the name plate, it
12 gave the Members the authority to engage in working
13 capital which I think in all of these listening
14 sessions and discussions is going to be very, very
15 key because there is an intense focus

16 on -- from the Pritzker Administration and from the
17 Federal Administration on building wealth, providing
18 opportunities, providing the opportunities for
19 contractors that represent the diversity of this
20 State. And we think that working capital is probably
21 going to be the tools to have it and now
22 we have crystal clear statutory authority, it's also
23 going to be a focus of the SSBCI.

24 MEMBER PAWAR: Thank you.



1 EXECUTIVE DIRECTOR MEISTER: Any other
2 questions?

3 MEMBER NAVA: What is the working capital
4 range?

5 EXECUTIVE DIRECTOR MEISTER: Stan Luboff, are
6 you on the line? Can you provide the rough range of
7 the SSBCI participation loans?

8 MR. LUBOFF: Can you hear me now?

9 EXECUTIVE DIRECTOR MEISTER: Yes.

10 MR. LUBOFF: Okay. Would you restate your
11 request?

12 MEMBER NAVA: Hey, Stan, it's Roxanne. What
13 would be the range for the working capital from
14 like -- I'm just thinking of the access points.

15 MR. LUBOFF: What would be the range of working
16 capital? We treat the working capital requests as
17 we would any other request, we don't set a limit on
18 that. We typically will support on a request --
19 typically support 25 percent of the entire loan
20 with SSBCI fundings. But for politically and
21 economically disadvantaged individuals and very
22 small businesses, those with nine or fewer
23 employees, we'll go up to 50 percent of the loan.
24 In addition to that, the impact of



1 our interest rates for non-CETI and non-BSP, we're
 2 at two percent per annum flat; but for CETI and
 3 very small businesses, we're actually at one percent
 4 per annum flat, the lowest interest rates that I
 5 know of in the entire nation in terms of SSBCI
 6 funding.

7 So working capital is a need,
 8 especially in new technologies and new companies,
 9 and we will certainly focus on that not only in the
 10 form of term loans, but also in the form of
 11 revolving lines of credit, we will emphasize that a
 12 lot more than will DCEO under its Advantage Illinois
 13 Program. Has that addressed your request?

14 EXECUTIVE DIRECTOR MEISTER: Give a range.
 15 Again, we've only got a hard commitment from DCEO of
 16 \$10 million, so the average participation, I think
 17 that may have been the amount that we would commit
 18 per borrower or per project.

19 MR. LUBOFF: Oh, okay. Well, we have a stated
 20 limit of \$2 million per loan that we would support,
 21 but we have a clear waiver in the documents that
 22 the Executive Director of the Authority has the
 23 authority to go beyond the \$2 million. So it really
 24 depends on the request and the impact of that



1 request on CETI and very small business
 2 communities.

3 I think that's what you're driving
 4 at. I mean, we don't set a limit on working capital
 5 that we wouldn't set on a real estate deal unless
 6 it's another request that is supporting the kinds
 7 of climate change and environmental improvement
 8 activities that we're focused on and we are very
 9 earnest -- and I think our interest rates reflect
 10 that -- in promoting the Administration's climate-
 11 related goals.

12 EXECUTIVE DIRECTOR MEISTER: Thanks, Stan.

13 MEMBER NAVA: Thanks, Stan.

14 EXECUTIVE DIRECTOR MEISTER: So moving on to
 15 page 51 -- and I'll try and move through these --
 16 these are the modifications. Number one, we are
 17 asking for authority from the Members for myself as
 18 Executive Director, the Chair, to work in close
 19 consultation and partnership with the Administration
 20 on the negotiation and the commitments of one or
 21 more coalitions, partnerships, applications,
 22 contracts, participations or other agreements to
 23 place the State of Illinois in the best competitive
 24 posture for the three GGRF funds, that includes



1 vendors to provide necessary capacity to support
2 competitive application.

3 And as we were advised within the
4 last few days, particularly on the Fund and the
5 Accelerator, the \$14 billion Fund and the \$6 billion
6 Accelerator, when there is a decision or a consensus
7 on which one or more applicants -- applications to
8 join by nonprofits, we will need to run a sole
9 source through the State Procurement that will take
10 about 15 days. So, again, we anticipate that these
11 next couple of weeks are probably going to be very
12 key in the GGRF.

13 The Revolving Loan Application and,
14 again, I'm not going to inflict the entire agreement
15 on all of you because you guys can flip through it
16 and see that it is bureaucracy at its finest.
17 Elizabeth has been in extended trench warfare
18 negotiations with our colleagues at IEPA. So we've
19 got a substantially final form of intergovernmental
20 agreement attached.

21 So the plan is modified so that the
22 Executive Director is authorized, empowered,
23 directed to do all such acts and things to execute,
24 acknowledge, deliver all documents as may be in my



1 discretion deemed necessary or desirable to obtain
2 the funds and establish and implement the EERLF
3 program, including but not limited to developing
4 policies for the administration of this program.

5 I would also be further authorized,
6 if determined desirable or appropriate, to create in
7 consultation with the Chair, a Credit Committee for
8 the purpose of reviewing and making recommendations
9 for some of the EERLF program. Member Pawar, among
10 the things that we're considering is to use this as
11 a bridge for the Chapter 45 credits, if we can do
12 that.

13 The Members also authorize and approve
14 the intergovernmental agreement in substantially
15 final form and the execution by the Executive
16 Director, Chair, Vice Chair, or any other authorized
17 personnel; execute and approve such changes,
18 negotiate with IEPA and authorize the collective
19 authorized personnel to execute and deliver the
20 related documents and certificates as may be
21 desirable to give life to the
22 intergovernmental agreement.
23 The Executive Director and other
24 authorized personnel are delegated the powers and



1 authority to approve loans, grants, other financial
 2 products under the IGA as waivers contemplated by
 3 the IGA and enter into such contracts for the
 4 administration of such funds without further actions
 5 by the Members.

6 What we anticipate is that we will
 7 be bringing these back in the way that we bring the
 8 C-PACE projects as developed by our colleague Brad.
 9 Further actions, the Executive Director is also
 10 further authorized and empowered to do acts and
 11 things to execute, to give life to the program
 12 and -- and the IGA. And then we've got the
 13 standard enactment clause, that was some pretty
 14 serious bond-like language, but thank you for your
 15 patience.

16 And then also we expect to be
 17 entering into various partnerships, the final
 18 modification with DOE, with Elevate Energy, with the
 19 City of Chicago, with the Green Buildings Alliance
 20 where I'm going to be speaking tomorrow on the RECI
 21 and with DCEO for the likely grant for the non-
 22 Federal funds.

23 So that's it. Any questions? I ask
 24 for an aye vote. Thank you very much.



1 CHAIR HOBERT: This is Will Hobert. Pursuant
 2 to the Resolution 2022-1110-EX16, the Members may
 3 affirm, modify or disapprove of any of the
 4 modifications to the Climate Bank Plan. I would
 5 like to request a motion to accept a preliminary
 6 and unaudited Financial Report for the one-month
 7 period ended July 31, 2023, to accept the report
 8 on the Climate Bank Plan and to affirm the
 9 modifications to the Climate Bank Plan. Is there
 10 such a motion?

11 MEMBER POOLE: Yes, Mr. Chairman. This is
 12 Roger Poole, so moved.

13 MEMBER RYAN: This is Tim Ryan, second.

14 CHAIR HOBERT: This is Will Hobert. All those
 15 in favor?

16 (There was a chorus of ayes.)

17 CHAIR HOBERT: Opposed? This is Will Hobert,
 18 the ayes have it and the motion carries.

19 Six, will you please present the
 20 Procurement Report?

21 MS. GRANDA: This is Six Granda. The contracts
 22 listed in the August Procurement Report are to
 23 support the Authority's operations. The report also
 24 includes expiring contracts into 2024.



1	The Authority recently executed a	Page 49
2	contract with Amalgamated Bank of Chicago for Bank	
3	Custodian Services through July 31st of 2024. Does	
4	any Member have any questions or comments?	
5	EXECUTIVE DIRECTOR MEISTER: One addition. So	
6	last month, the Members moved to initiate a	
7	Procurement Process for investment bankers on the	
8	IEPA State Revolving Fund. We have gone to our	
9	partners at IEPA, we have presented what we know	
10	and we are awaiting their decision.	
11	So at the present time, while we've	
12	moved forward and I would advise the Members if any	
13	bankers talk to you about State Revolving Fund,	
14	please don't discuss it with them, because it's a	
15	live procurement; but at this time, there is no	
16	actual solicitation going on. And Six followed up	
17	with IEPA earlier this week and we've had no	
18	response at this point.	
19	MS. GRANDA: No response, right. Thank you.	
20	CHAIR HOBERT: This is Will Hobert. Does	
21	anyone wish to make any additions, edits or	
22	corrections to the minutes from July 11th, 2023?	
23	Hearing none, I'd like to request a	
24	motion to approve the minutes. Is there such a	



1	motion?	Page 50
2	MEMBER SUTTON: This is Lynn Sutton, so moved.	
3	MEMBER BERES: This is Drew Beres, second.	
4	CHAIR HOBERT: This is Will Hobert. All those	
5	in favor?	
6	(There was a chorus of ayes.)	
7	CHAIR HOBERT: Opposed? This is Will Hobert,	
8	the ayes have it and the motion carries.	
9	Is there any other business to come	
10	before the Members?	
11	ASSISTANT SECRETARY FLETCHER: This is Brad	
12	Fletcher. Chair Hobert, Members Caldwell,	
13	Strautmanis, Wexler and Zeller were unable to	
14	participate today.	
15	CHAIR HOBERT: I'd like to request a motion to	
16	excuse the absences of Members who were unable to	
17	participate today. Is there such a motion?	
18	MEMBER JURACEK: This is Arlene Juracek, so	
19	moved.	
20	MEMBER BERES: This is Drew Beres, second.	
21	CHAIR HOBERT: This is Will Hobert, all those	
22	in favor?	
23	(There was a chorus of ayes.)	
24	CHAIR HOBERT: Opposed? This is Will Hobert.	



1 The ayes have it and the motion carries. Chris,
 2 please introduce the CEJA Fund guests under Other
 3 Business.

4 EXECUTIVE DIRECTOR MEISTER: Thank you very
 5 much, Will. This is Chris Meister. As highlighted
 6 earlier, the Illinois Clean Energy Jobs and Justice
 7 Fund or CEJA Fund is a not-for-profit organization
 8 created by CEJA with the Members appointed by the
 9 Governor. After Will and I recently spoke to CEJA
 10 Chair Lee, she graciously invited me to brief her
 11 colleagues last Friday. I'm grateful for that
 12 productive opportunity. Chair Lee and two of her
 13 colleagues, Vice Chair Joel Freehling, raise your
 14 hand, and Chair Lee, raise your hand. And we've also
 15 got Member Kevin Clark, raise your hand, present with
 16 us today; and I have seen two of the Members
 17 calling in remote, Lilliana Scales and Brad Roos,
 18 but I haven't -- maybe, Rob, you could confirm if
 19 Chandra Christmas-Rouse is on the line?

20 MR LIGHTFIELD: She's not.

21 EXECUTIVE DIRECTOR MEISTER: Okay. So Chair
 22 Lee, the floor is yours.

23 CHAIR LEE: Good morning, everybody. Thank
 24 you very much for having me today, it's a pleasure

1 to be here. I am the Chairwoman of the Board for
 2 the CEJA Board and I'm located in Bloomington,
 3 Illinois, that would be the center of the State and
 4 the home of Route 66. It's a pleasure to be here.
 5 We're very excited to commence on our work which is
 6 very important to not only Bloomington-Normal, but
 7 the entire State of Illinois and looking to bring
 8 that diversity and that ability to drive things to
 9 the ground to the mix here today, so thank you very
 10 much for having us. Joel?

11 VICE CHAIR FREEHLING: Joel Freehling, Vice
 12 Chair. Again, we appreciate the opportunity to
 13 partner with Chris, he's been very gracious as we've
 14 started our Board with just a few weeks in having
 15 now finally constituting a quorum and I think we
 16 look forward to leveraging our nonprofit status to
 17 help you all do even more work and get even deeper
 18 into the communities throughout the State and we
 19 look forward to a very long and fruitful
 20 partnership, so thank you.

21 MEMBER CLARK: Good morning. Thank you for
 22 the opportunity to come before you this morning.

23 Kevin Clark, from the Board for CEJA Fund.

24 And I represent Southern Illinois, home of Southern



1 Illinois University, Carbondale, Salukis -- go
 2 Dogs -- and so we're looking forward to bringing
 3 some of the opportunities to Downstate. And we are
 4 already beginning to have some conversations about
 5 how we're going to be able to interact with you
 6 and really make this a fruitful engagement. Thank
 7 you.

8 EXECUTIVE DIRECTOR MEISTER: And Members Scales
 9 and Roos, I see you both. I think we can unmute
 10 you.

11 MEMBER SCALES: Wonderful. I'm Lilliana Scales, or
 12 Lilli. I'm located in Pilsen, Chicago and worked
 13 heavily with our coalition members on the Illinois
 14 Clean Jobs Coalition for the creation of this Board,
 15 so it's pretty amazing to see it come to this and
 16 all the hard work that all of you collectively in
 17 the room and on the Zoom are doing and continuing
 18 to do to invest in Illinoisians. Thank you so
 19 much for creating the space and the time, I'm looking
 20 forward to the partnership.

21 EXECUTIVE DIRECTOR MEISTER: And Brad Roos?

22 MEMBER ROOS: Yes, thank you. Thank you for
 23 inviting us to be part of your meeting today. I'm
 24 Brad Roos from beautiful Rockford, Illinois, where

1 I've served for 40 years doing neighborhood
 2 development work and more recently leading our
 3 community's sustainability effort at the grassroots
 4 level. We're just glad for the partnership, so
 5 thank you very much.

6 CHAIR HOBERT: This is Will Hobert. Chair
 7 Lee, Members of the CEJA Fund, thank you for
 8 taking the time out of your schedules to join us,
 9 we appreciate you being here. We understand that
 10 CEJA Fund Members like Authority Members are
 11 volunteers, providing public service. We look
 12 forward to working with each of you and your newly
 13 created organization to advance our shared goals
 14 on behalf of the Governor's Administration. Thank
 15 you.

16 Again, this is Will Hobert. Is there
 17 any matter for discussion in closed session?

18 Hearing none, the next regularly
 19 scheduled meeting will be held in person on Tuesday,
 20 September 12th, 2023. I would like to request a
 21 motion to adjourn. Is there such a motion?

22 MEMBER PAWAR: This is Ameya Pawar, so moved.

23 MEMBER POOLE: Mr. Chairman, thank you. Roger
 24 Poole, second.



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1 CHAIR HOBERT: This is Will Hobert. All those
2 in favor?
3 (There was a chorus of ayes.)
4 CHAIR HOBERT: Any opposed?
5 The ayes have it and the motion
6 carries.
7 ASSISTANT SECRETARY FLETCHER: This is Brad
8 Fletcher. The time is 10:15 a.m., the meeting is
9 adjourned. Thank you, everyone.
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1 STATE OF ILLINOIS)
2 COUNTY OF COOK) SS.
3)
4)
5 I, PATRICIA S. MANN, CSR, RPR, a certified
6 shorthand reporter in the State of Illinois, do
7 hereby certify that the above matter was recorded
8 stenographically by me and reduced to writing by
9 me.
10 I FURTHER CERTIFY that the foregoing transcript
11 of the said matter is a true, correct and complete
12 transcript of the proceedings at the time and place
13 specified hereinbefore.
14 I FURTHER CERTIFY that I am not a relative or
15 employee of any of the parties, nor a relative or
16 employee of the attorneys of record or financially
17 interested directly or indirectly in this action.
18 IN WITNESS WHEREOF, I have hereunto set my hand
19 and affixed my seal of office at Chicago, Illinois,
20 this 22nd day of August, 2023.
21
22
23
24

Patricia S. Mann, CSR, RPR
License No. 084-001853



ILLINOIS FINANCE AUTHORITY
ROLL CALL
AUGUST 8, 2023
REQUEST FOR MEMBER FUENTES TO ATTEND VIA VIDEO OR AUDIO
CONFERENCE
APPROVED

August 8, 2023

8 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
NV	Fuentes	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
ROLL CALL
AUGUST 8, 2023
QUORUM

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
AUGUST 8, 2023
AGENDA OF THE REGULAR MEETING OF THE MEMBERS
APPROVED

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2023-0808-CF01
 PRIVATE ACTIVITY BONDS – REVENUE BONDS
 OSF HEALTHCARE SYSTEM
 FINAL (ONE-TIME CONSIDERATION)
 APPROVED*

August 8, 2023

9 YEAS

Y Beres
 E Caldwell
 Y Fuentes †
 Y Juracek
 Y Nava

0 NAYS

Y Pawar
 Y Poole
 Y Ryan
 E Strautmanis
 Y Sutton

0 PRESENT

E Wexler
 E Zeller
 Y Chair Hobert

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

* – Consent Agenda

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION NO. 2023-0808-CF02
 PRIVATE ACTIVITY BONDS – REVENUE BONDS
 BEGINNING FARMER - SAMUEL BRITT
 FINAL (ONE-TIME CONSIDERATION)
 APPROVED*

August 8, 2023

9 YEAS

Y Beres
 E Caldwell
 Y Fuentes †
 Y Juracek
 Y Nava

0 NAYS

Y Pawar
 Y Poole
 Y Ryan
 E Strautmanis
 Y Sutton

0 PRESENT

E Wexler
 E Zeller
 Y Chair Hobert

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

* – Consent Agenda

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION NO. 2023-0808-CF03
 RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND
 DELIVERY OF A FIRST SUPPLEMENTAL TRUST INDENTURE RELATING TO
 THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES
 2013 (ILLINOIS COLLEGE OF OPTOMETRY); AND RELATED MATTERS
 APPROVED*

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

* – Consent Agenda

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION NO. 2023-0808-EX04
 RESOLUTION FOR THE ELECTION OF A VICE CHAIR TO THE ILLINOIS
 FINANCE AUTHORITY
 APPROVED

August 8, 2023

8 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
A	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION NO. 2023-0808-EX05
 RESOLUTION FOR THE APPOINTMENT OF ASSISTANT SECRETARY OF THE
 ILLINOIS FINANCE AUTHORITY
 APPROVED*

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

* – Consent Agenda

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF THE PRELIMINARY AND UNAUDITED FINANCIAL REPORTS
FOR THE ONE-MONTH PERIOD ENDED JULY, 31, 2023, TO ACCEPT THE
REPORT ON THE CLIMATE BANK PLAN, AND TO AFFIRM MODIFICATIONS
TO THE CLIMATE BANK PLAN
APPROVED

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE
AUTHORITY FROM JULY 11, 2023
APPROVED

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
EXCUSING THE ABSENCE OF ANY MEMBERS UNABLE TO PARTICIPATE IN
ANY VOTES OF THE REGULAR MEETING OF THE AUTHORITY FOR AUGUST
8, 2023
APPROVED

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y Beres
E Caldwell
Y Fuentes †
Y Juracek
Y Nava

Y Pawar
Y Poole
Y Ryan
E Strautmanis
Y Sutton

E Wexler
E Zeller
Y Chair Hobert

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
ADJOURNING THE REGULAR MEETING OF THE AUTHORITY FOR AUGUST 8,
2023
APPROVED

August 8, 2023

9 YEAS

0 NAYS

0 PRESENT

Y	Beres	Y	Pawar	E	Wexler
E	Caldwell	Y	Poole	E	Zeller
Y	Fuentes †	Y	Ryan	Y	Chair Hobert
Y	Juracek	E	Strautmanis		
Y	Nava	Y	Sutton		

E – Denotes Excused Absence

NV – Denotes Not Voting

A – Denotes Abstention

† In accordance with the provisions of Sections 7(a) and 7(c) of the Open Meetings Act, the Member participated via audio or video conference.

XI. OTHER BUSINESS

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

XII. CLOSED SESSION

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

XIII. ADJOURNMENT

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

APPENDIX A - INFORMATION REGARDING NEW BUSINESS ITEMS



REGULAR MEETING OF THE MEMBERS TUESDAY, SEPTEMBER 12, 2023 9:00 A.M.

**MICHAEL A. BILANDIC BUILDING
160 NORTH LASALLE STREET
SUITE S-1000
CHICAGO, ILLINOIS 60601**

**2929 BROADWAY STREET
SUITE 7B
MOUNT VERNON, ILLINOIS 62864**

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NEW BUSINESS**CONDUIT FINANCING PROJECTS**

Tab	Project Name	Location(s)	Amount	New Jobs	Const. Jobs	Staff
Private Activity Bonds - Revenue Bonds <i>Final</i>						
1	LRS Holdings, LLC	Greenville (Bond County), Urbana (Champaign County), Rolling Meadows, Forest View, Rosemount, Morton Grove, Glenview, Chicago, Maywood and Northbrook (Cook County), West Chicago (DuPage County), Beecher City (Effingham County), Vandalia (Fayette County), Atkinson (Henry County), Elburn (Kane County), Wadsworth and Wauconda (Lake County), Crystal Lake and Woodstock (McHenry County), Bloomington (McLean County), Oregon (Ogle County), and Monmouth (Warren County)	\$125,000,000	50	-	BF
Private Activity Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
2	City of Hope	Zion (Lake County)	\$650,000,000	-	-	SP
3	The Carle Foundation	Champaign and Urbana (Champaign County), Normal (McLean County), Peoria (Peoria County), Olney (Richland County), Pekin (Tazewell County), Hoopeston (Vermilion County) and Eureka (Woodford County); and various clinics statewide	\$250,000,000	-	-	SP
4	Waste Management, Inc.	Taylorville (Christian County), DeKalb (DeKalb County), Grayslake (Lake County), Macomb (McDonough County), Decatur (Macon County), Davis Junction (Ogle County), East Saint Louis and Marissa (Saint Clair County), Morrison (Whiteside County), and Joliet and Wilmington (Will County)	\$50,000,000	3	-	BF
5	Beginning Farmer - Trevor A. Fox	Odell Township (Livingston County)	\$616,100	-	-	LK
Property Assessed Clean Energy Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
6	CleanFund, LLC	Statewide	\$250,000,000	-	-	BF
TOTAL CONDUIT FINANCING PROJECTS			\$1,325,616,100	53	-	
GRAND TOTAL			\$1,325,616,100	53	-	

NEW BUSINESS

ADDITIONAL RESOLUTIONS

Tab	Action	Staff
Conduit Financings		
7	Resolution authorizing and approving amendments to the loan agreements relating to the certain bonds previously issued for the benefit of Roosevelt University	BF
Direct and Alternative Financings		
8	Resolution delegating to the Executive Director of the Illinois Finance Authority the power to fund and administer financial aid in an amount not-to-exceed \$10,000,000 related to the development of a project under the Illinois Finance Authority Act and the Reimagining Energy and Vehicles in Illinois Act and ratifying and approving certain matters related thereto	CM
Governance, Personnel, and Ethics		
9	Resolution approving changes to credit criteria and approving fee schedule for certain types of bonds	CM

REQUEST	Final Bond Resolution	Date: September 12, 2023
PROJECT	<p>Purpose: Bond proceeds will be loaned to LRS Holdings, LLC, a Delaware limited liability company (together with its wholly-owned subsidiaries or affiliates, the “<u>Borrower</u>” or the “<u>Company</u>”) in order to assist the Company in providing all or a portion of the funds necessary to finance or refinance certain solid waste disposal facilities, including, but not limited to, the following: (a) the acquisition of new collection vehicles, trucks, trailers, solid waste disposal containers and related equipment, and computers and related equipment supporting such operations; (b) the acquisition of certain solid waste recycling, sorting, and processing equipment; (c) the construction, improvement, and equipping of certain solid waste disposal, collection, transfer, recycling, and customer care facilities; (d) improvements to currently permitted landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, including collection, processing and treatment systems for the capture, conversion and/or distribution of landfill gas, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site, paving, grading, and other infrastructure improvements, and (vi) without limitation, any other authorized use of the Bonds by the Company, including any installation, development, design, engineering, replacements, demolition, improvements, equipment, construction, renovation, structures, permitting, and related capital expenditures necessary to accomplish the foregoing improvements, (e) the construction, improvement, installation and equipping of facilities, equipment or assets functionally related and subordinate thereto, which in each case will be owned and/or operated by the Company, and place them into service within the State (collectively, the “<u>Project</u>”); and (f) the payment of all or a portion, if any, of the costs of issuance of the Bonds.</p> <p>Project Number: 12500</p> <p>Volume Cap: Issuance of the Bonds will require an allocation of unused volume cap that Authority staff elected to carryforward during the previous three calendar years for such purposes.</p> <p>Extraordinary Conditions: The Authority may issue the Bonds under the Authority Act or under the Illinois Environmental Facilities Financing Act, 20 ILCS 3515-1, et seq., as amended.</p>	
LOCATION(S)	Greenville (Bond County), Urbana (Champaign County), Rolling Meadows, Forest View, Rosemount, Morton Grove, Glenview, Chicago, Maywood and Northbrook (Cook County), West Chicago (DuPage County), Beecher City (Effingham County), Vandalia (Fayette County), Atkinson (Henry County), Elburn (Kane County), Wadsworth and	

	Wauconda (Lake County), Crystal Lake and Woodstock (McHenry County), Bloomington (McLean County), Oregon (Ogle County), and Monmouth (Warren County)																		
JOB DATA	Current Jobs: 2,345 (1,416 in IL) Retained Jobs: Not applicable		New Jobs*: 50 Construction Jobs*: 0																
PRIOR ACTION	On March 9, 2021, a quorum of the Members of the Authority approved a Preliminary Bond Resolution to effectuate the approval of the Borrower’s application relating to the Project. Material Changes: None.																		
FINANCING	The plan of finance contemplates that tax-exempt qualified private activity bonds will be sold through a limited public offering in an aggregate principal amount not-to-exceed \$125 million by J.P. Morgan Securities LLC (the “Representative”), on behalf of itself, Truist Securities, Inc. and Fifth Third Securities, Inc. (collectively, the “Underwriters”). The Bonds will be remarketed from time to time by J.P. Morgan Securities LLC (the “Remarketing Agent”). Rating: The Bonds will not be rated by any credit rating agency. Authorized Denominations: The Bonds will be available in denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof.																		
INTEREST RATE	The Bonds are being offered at a fixed interest rate during an initial Term Interest Rate Period but may convert to a Daily Interest Rate Period, a Weekly Interest Rate Period or a Term Interest Rate Period thereafter. Under the proposed multi-modal structure, the Bonds shall bear interest at stated rates not exceeding 12.0% per annum.																		
MATURITY	The Final Bond Resolution authorizes a final maturity of not later than 30 years from the date of issuance.																		
SECURITY	The Bonds will be unsecured obligations of the Company and guaranteed on a joint and several basis by a Guaranty Agreement by and between certain subsidiaries of the Company party to certain credit facilities with the Company’s various lenders. Such credit facilities are secured by a first lien on substantially all assets of the Company.																		
SOURCES & USES†	<table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>Bonds</td><td><u>\$125,000,000</u></td><td>Project</td><td>\$122,250,000</td></tr><tr><td></td><td></td><td>Cost of Issuance</td><td><u>2,500,000</u></td></tr><tr><td>Total</td><td><u>\$125,000,000</u></td><td>Total</td><td><u>\$125,000,000</u></td></tr></table>			Sources:		Uses:		Bonds	<u>\$125,000,000</u>	Project	\$122,250,000			Cost of Issuance	<u>2,500,000</u>	Total	<u>\$125,000,000</u>	Total	<u>\$125,000,000</u>
Sources:		Uses:																	
Bonds	<u>\$125,000,000</u>	Project	\$122,250,000																
		Cost of Issuance	<u>2,500,000</u>																
Total	<u>\$125,000,000</u>	Total	<u>\$125,000,000</u>																
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution.																		

*Projected

† Preliminary, subject to change

PROJECT AND FINANCING SUMMARY

PROGRAM AND CONTRIBUTION

The Illinois Finance Authority (“Authority”) may issue bonds from time to time as provided in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the “Authority Act”), for the purposes set forth therein. Tax-exempt qualified private activity bonds issued by the Authority (and any premium thereon and the interest thereon) do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the State of Illinois (“State”) or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision.

Because interest paid to bondholders on such obligations is not includable in their gross income for federal income tax purposes, bondholders are willing to accept a lower interest rate than they would accept if the interest was taxable. Special rules apply to bonds that are private activity bonds for those bonds to be tax-exempt qualified private activity bonds.

BUSINESS SUMMARY

The Company, headquartered in Rosemount, Illinois, is a leading regional provider of nonhazardous waste management services, focusing on recycling, diversion, and environmentally-conscious practices in the Midwest. The Company differentiates itself from its peers through exceptional customer service, innovative diversion and recycling programs, utilization of technological advances, and a strong awareness for the environment. The Company is a vertically-integrated nonhazardous solid waste services provider in Chicago, Wisconsin, Minnesota, Michigan, and surrounding regions providing municipal solid waste service services to over 1.2 million residential and 25,000+ commercial customers while delivering leading customer service.

The Company is complemented by the deep waste industry expertise of Macquarie Asset Management, which is a global asset manager.

The Company is a diversion-focused vertically-integrated solid waste platform that offers collection, processing, recycling, and disposal for a variety of commercial, residential, and industrial customers. The Company delivers a comprehensive array of services, encompassing collection from a variety of volume generators (including residential, municipal, and commercial roll-off customers), recycling reusable materials (including plastics, metals, and cardboard), and final disposal solutions at landfills or other beneficial reuse. Beyond these core offerings, the Company has incorporated additional complementary service offerings including street sweeping and portable sanitation services to diversify its operational scope and revenue mix. This portfolio of complementary service offerings enables the Company to be a “one-stop provider” that caters to its customers’ waste services needs. The Company’s commitment to recycling, waste diversion, and sustainable waste management practices resonates through each service it offers.

The Company owns and operates a robust, integrated network of collection, processing, and disposal assets that are difficult to replicate given complex permitting requirements and significant capital requirements which provide it a sustainable advantage compared to peers. Its current asset base includes collection and post-collection capacity through 77 facilities composed of 31 hauling and collection facilities, 18 transfer stations, 11 material recovery facilities (“MRFs”), and three landfills across its nine-state footprint: Illinois, Wisconsin, Iowa, Indiana, Michigan, Minnesota,

Kansas, Arkansas and Tennessee. The Company has approximately 2,300 employees with a fleet of 1,100 collection vehicles.

The Company continues to densify its operations throughout Greater Chicagoland and the North-Central Midwest markets using a calculated strategy that incorporates organic growth complemented by a disciplined approach to strategic acquisitions. This organic growth includes significant contract wins, including now serving four of six zones of the City of Chicago’s “Blue Cart” residential recycling contract (with the remaining two zones currently serviced by the city). The Company also has a demonstrated track record of identifying and developing greenfield organic growth opportunities, notably including the 2023 construction and operational commencement the “Exchange MRF”, a state-of-the-art single-stream recycling facility in Chicago’s iconic Stockyards neighborhood.

OWNERSHIP OR ECONOMIC DISCLOSURE STATEMENT

The initial owner, operator or manager of the facilities being financed or refinanced with the proceeds of the Bonds is the Borrower.

Applicant: LRS Holdings, LLC, 5500 Pearl Street, Rosemont, IL 60018

Contact: Hassan Nisar, Senior Manager of M&A **Email:** HNisar@LRSrecycles.com

Website: <https://www.lrsrecycles.com>

Ownership

Interest: LRS Holdings, LLC is a privately held company. Any entity owning a 7.5% or greater ownership interest in the Borrower is identified below:

Macquarie Infrastructure Partners V

Attn: Glen Roscoe / Jordan Nabarro / Andrew Secundo

125 W. 55th Street, 15th Floor

New York, NY 10019

PROFESSIONAL AND FINANCIAL INFORMATION

Borrower Advisor:	CTBH Partners LLC	Hanover, NH	John Ruth
Borrower’s Counsel:	Greenberg Traurig LLP	Orlando, FL	Jéan E. Wilson
			Ashton M. Bligh
Bond Counsel:	McGuireWoods LLP	Chicago, IL	Kay McNab
		New York, NY	John Semeniak
		Richmond, VA	Caroline G. Perrin
Underwriter Representative/ Remarketing Agent:	J.P. Morgan Securities LLC	San Francisco, CA	Will Frymann
		New York, NY	Ivan Naguit
			Jaleni Thompson
			Yulin Chen
Co-Managers/ Underwriters:	Truist Securities, Inc.	New York, NY	Jeffrey L Swanson
	Fifth Third Securities, Inc.	Chicago, IL	Joe Bentley
			Aleks Granchalek
			Shane Johnson
Underwriters’ Counsel:	Nixon Peabody LLP	New York, NY	Scott R. Singer
			Barry Carrigan

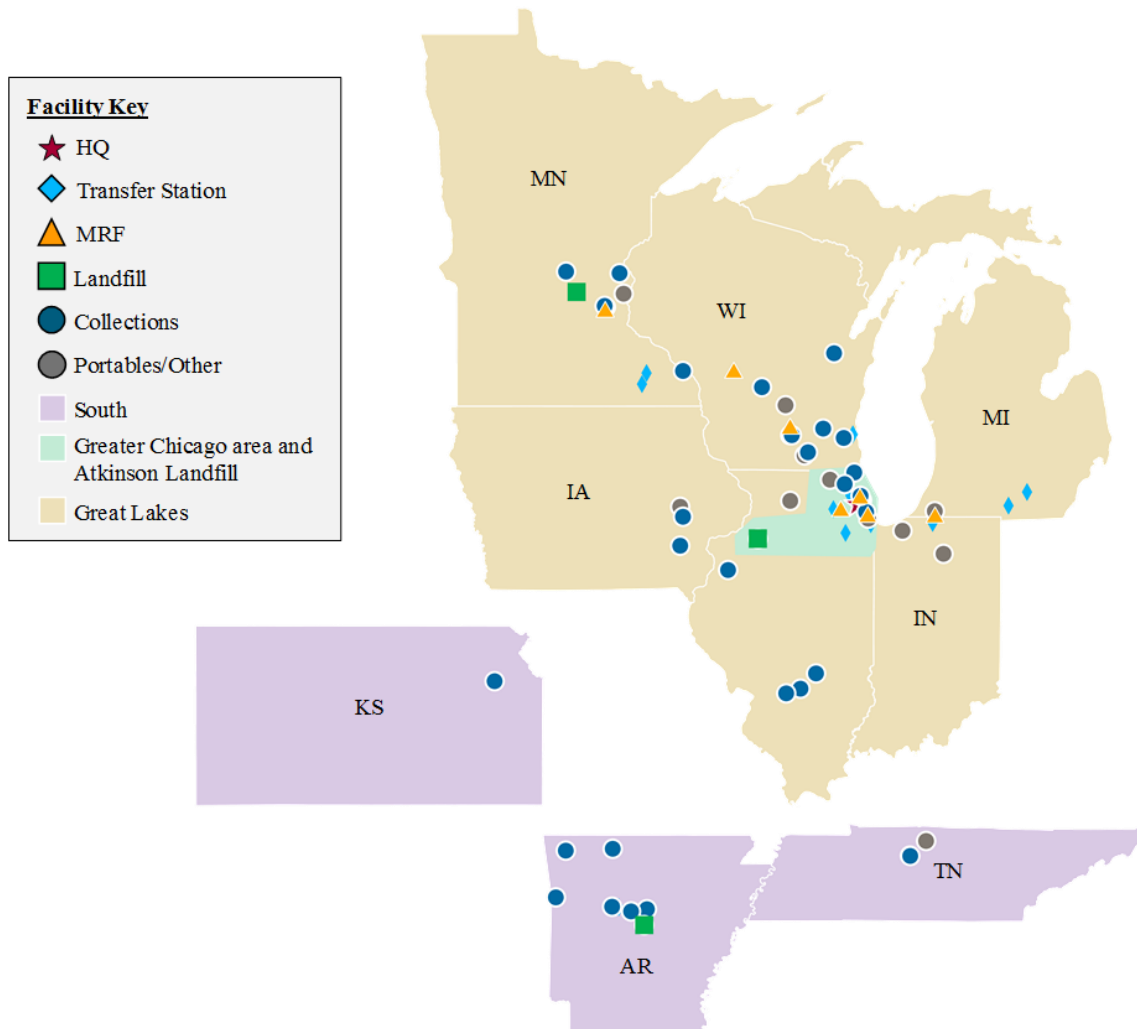
Trustee:	The Bank of New York Mellon Trust Company, N.A.	Chicago, IL	Patricia M. Trlak Eduardo Rodriguez Mietka Collins John R. Prendiville Brad Fletcher Debbi Boye
Issuer:	Illinois Finance Authority	Chicago, IL	
Issuer's Counsel:	Kutak Rock LLP	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional:	1, 3, 4, 5, 7, 8, 9, 10, 11, 13, 15, 16, 17
State Senate:	1, 4, 8, 9, 10, 12, 14, 25, 26, 31, 32, 33, 35, 36, 37, 45, 46, 52, 54, 55
State House:	1, 2, 7, 15, 17, 20, 23, 24, 27, 49, 51, 52, 61, 63, 65, 66, 69, 71, 73, 89, 91, 104, 107, 109, 110

SERVICE AREA

LRS Operating Footprint



\$650,000,000 (not-to-exceed)

City of Hope

September 12, 2023

REQUEST	<p>Purpose: City of Hope (the “Corporation” or the “Borrower”), a California nonprofit benefit corporation, has requested that the Illinois Finance Authority (the “Authority”) issue its Revenue Bonds, Series 2023 in one or more fixed and/or variable rate, tax-exempt and/or taxable series, in an aggregate principal amount not to exceed \$650,000,000 (the “Bonds”) to be used to: (i) refund all or a portion of the \$650,000,000 original principal amount Illinois Finance Authority Taxable Revenue Bonds, Series 2022A (City of Hope Entities) (the “Prior Bonds”), all of which are currently outstanding; and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds (Multi-State)(Tax-Exempt and/or Taxable)</p> <p>Extraordinary Conditions: None.</p>												
BOARD ACTIONS	Final Bond Resolution (<i>one-time consideration</i>).												
MATERIAL CHANGES	None. This is the first time this project has been presented to the Members of the Authority.												
JOB DATA	<table><tr><td>510</td><td>Current jobs</td><td>0</td><td>New jobs projected</td></tr><tr><td></td><td>(FTEs in Illinois)</td><td></td><td></td></tr><tr><td>N/A</td><td>Retained jobs</td><td>0</td><td>Construction jobs projected</td></tr></table>	510	Current jobs	0	New jobs projected		(FTEs in Illinois)			N/A	Retained jobs	0	Construction jobs projected
510	Current jobs	0	New jobs projected										
	(FTEs in Illinois)												
N/A	Retained jobs	0	Construction jobs projected										
BORROWER DESCRIPTION	<ul style="list-style-type: none">• Illinois Location/Nexus: Zion, Illinois, Lake County/ Northeast Region.• In February 2022, the Corporation formed COH HoldCo Inc. (“COH HoldCo”), a Delaware nonstock corporation, as a subsidiary of the Corporation. COH HoldCo is the parent of certain corporations that own certain assets formerly known as Cancer Treatment Centers of America located in Illinois, Arizona and Georgia. The assets of the Cancer Treatment Centers of America were initially acquired with the proceeds of a taxable loan. The taxable loan was refinanced with the Prior Bonds. Now, all or a portion of the Prior Bonds are being refunded with the Bonds.• The Corporation, with its affiliates City of Hope National Medical Center (the “Medical Center”), City of Hope Medical Foundation (the “Medical Foundation”), The Beckman Research Institute of the City of Hope (the “Beckman Institute” and, together with the COH HoldCo, the Medical Center, the Medical Foundation and their affiliated entities, “City of Hope”), operates a clinical and research enterprise focused on treating patients with cancer, diabetes and other life-threatening diseases.<ul style="list-style-type: none">○ The Corporation is the sole corporate member of the Medical Center, the Medical Foundation and the Beckman Institute. As the sole corporate member, it retains certain reserved powers relating to the activities of the Medical Center, the Medical Foundation, and the Beckman Institute, including powers relating to borrowing money or guaranteeing obligations and approving capital and operating budgets. The Corporation also functions as the philanthropy organization of City of Hope.○ The Medical Center owns and operates a 217-licensed bed acute care hospital, treating primarily cancer and other life-threatening diseases.○ The Medical Foundation provides teaching, education and research services in support of the Medical Center and the Beckman Institute, as well as an extensive range of medical care and treatment through outpatient clinic facilities operated by the Medical Foundation.○ The Beckman Institute owns and operates a number of research facilities on and around City of Hope’s main campus and conducts basic scientific research in support of and in conjunction with the patient care activities of the Medical Center and the Medical Foundation.• The Corporation, the Medical Center, the Medical Foundation and the Beckman Institute, each a California nonprofit public benefit corporation and an organization described under Section 501(c)(3) of the Code, are the members of an Obligated Group created pursuant to an Amended and Restated Master Trust Indenture dated as of October 1, 2023, which Amended and												

	Restated Master Trust Indenture will become effective simultaneously with the issuance of the Bonds.			
SECURITY/MATURITY	<ul style="list-style-type: none"> The Bonds are expected to be secured by one or more obligations of the Obligated Group issued under the Amended and Restated Master Trust Indenture. All obligations will be secured by a security interest in the Gross Receivables of the Obligated Group. Bonds will mature no later than November 1, 2063 (40 years). 			
STRUCTURE/CREDIT INDICATORS	<ul style="list-style-type: none"> The Bonds will be issued either as one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds and will be directly purchased by a bank, Bank of America, N.A. It is currently contemplated that the Bonds will be issued in two series, a fixed rate, tax-exempt series with a par of up to \$300,000,000 and a variable rate, taxable series with a par of up to \$350,000,000. The Bonds will not carry a rating due to the direct purchase structure. The Obligated Group has long-term underlying ratings of 'A' Negative Outlook, by S&P Global Ratings effective as of December 23, 2022; and 'A3' Stable Outlook, by Moody's effective as of January 20, 2023. Initial sale and secondary market resale of the Bonds will be limited to institutional Accredited Investors and/or Qualified Institutional Buyers in minimum denominations of \$100,000 (and would thereby be sold in a manner consistent with existing Authority Bond Handbook requirements applicable to the sale of non-rated bonds). Secondary market resales of the Bonds may be in \$5,000 denominations if the Bonds become rated and certain other agreed to conditions are met. 			
ESTIMATED SOURCES AND USES	Sources:		Uses:	
	Bonds	\$650,000,000	Refund Prior Bonds	\$650,000,000
	Total	<u>\$650,000,000</u>	Total	<u>\$650,000,000</u>
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.			

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2023**

Project: City of Hope

STATISTICS

Project Number: 12568 Amount: \$650,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds (Multi-State) Authority Staff: Sara D. Perugini
(Tax-Exempt and/or Taxable)
IL Location: Zion, Illinois IL County / Region: Lake County/Northeast Region
Other Locations: Duarte, California (Obligated Group);
Newnan, Georgia; Goodyear, Arizona

BOARD ACTION

Final Bond Resolution (*one-time consideration*)
No Authority funds at risk
No extraordinary conditions
Conduit 501(c)(3) Revenue Bonds (Multi-State)(Tax-Exempt and/or Taxable)
Staff recommends approval of the Final Bond Resolution presented for consideration in connection with financing.

AUTHORITY PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and/or refinance capital projects that will be or are used to further their charitable missions. With respect to tax-exempt bonds, the Authority's issuance will convey federal tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Corporation's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
Bonds	\$650,000,000	Refund Prior Bonds	\$650,000,000
Total	<u>\$650,000,000</u>	Total	<u>\$650,000,000</u>

JOBS

Current employment:	510 (FTEs in Illinois)	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

FINANCING SUMMARY

Security: The Bonds are expected to be secured by one or more obligations of the Obligated Group issued under the Amended and Restated Master Trust Indenture. All obligations will be secured by a security interest in the Gross Receivables of the Obligated Group.

Structure: The Bonds will be issued as one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds and will be directly purchased by a bank, Bank of America, N.A. It is currently contemplated that the Bonds will be issued in two series, a fixed rate, tax-exempt series with a par of up to \$300,000,000 and a variable rate, taxable series with a par of up to \$350,000,000

Interest Rate:	It is currently contemplated that the series of tax-exempt bonds will be issued at a fixed rate, estimated to be determined on September 26, 2023. Bank of America, N.A. estimates the fixed rate to be 6% as of August 30, 2023. It is currently contemplated that the series of taxable bonds will be issued at a variable rate tied to the SOFR Index + a spread. Bank of America, N.A. estimates the all-in rate on the taxable bonds to be 6.4%, assuming current market conditions as of August 30, 2023.
Interest Mode:	Fixed Rate with respect to the tax-exempt series and variable rate with respect to the taxable series.
Credit Enhancement:	None
Underlying Rating:	<p>The Bonds will not carry a rating due to the direct purchase structure. The Obligated Group has long-term underlying ratings of ‘A’ Negative Outlook, by S&P Global Ratings effective as of December 23, 2022; and ‘A3’ Stable Outlook, by Moody’s effective as of January 20, 2023.</p> <p>Initial sale and secondary market resale of the Bonds will be limited to institutional Accredited Investors and/or Qualified Institutional Buyers in minimum denominations of \$100,000 (and would thereby be sold in a manner consistent with existing Authority Bond Handbook requirements applicable to the sale of non-rated bonds). Secondary market resales of the Bonds may be in \$5,000 denominations if the Bonds become rated and certain other agreed to conditions are met.</p>
Maturity:	The Bonds will fully mature no later than November 1, 2063 (40 years).
Estimated Closing Date:	October 3, 2023

PROJECT SUMMARY

City of Hope (the “**Corporation**” or the “**Borrower**”), a California nonprofit benefit corporation, has requested that the **Illinois Finance Authority** (the “**Authority**”) issue its Revenue Bonds, Series 2023 in one or more fixed and/or variable rate, tax-exempt and/or taxable series, in an aggregate principal amount not to exceed \$650,000,000 (the “**Bonds**”) to be used to: (i) refund all or a portion of the \$650,000,000 original principal amount Illinois Finance Authority Taxable Revenue Bonds, Series 2022A (City of Hope Entities) (the “**Prior Bonds**”), all of which are currently outstanding; and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

BUSINESS SUMMARY

Illinois Location/Nexus: Zion, Illinois, Lake County/ Northeast Region.

In February 2022, the Corporation formed COH HoldCo Inc. (“COH HoldCo”), a Delaware nonstock corporation, as a subsidiary of the Corporation. COH HoldCo is the parent of certain corporations that own certain assets formerly known as Cancer Treatment Centers of America located in Illinois, Arizona and Georgia. The assets of the Cancer Treatment Centers of America were initially acquired with the proceeds of a taxable loan. The taxable loan was refinanced with the Prior Bonds. Now, all or a portion of the Prior Bonds are being refunded with the Bonds.

The Corporation, with its affiliates City of Hope National Medical Center (the “Medical Center”), City of Hope Medical Foundation (the “Medical Foundation”), The Beckman Research Institute of the City of Hope (the “Beckman Institute” and, together with the COH HoldCo, the Medical Center, the Medical Foundation and their affiliated entities, “City of Hope”), operates a clinical and research enterprise focused on treating patients with cancer, diabetes and other life threatening diseases.

- The Corporation is the sole corporate member of the Medical Center, the Medical Foundation and the Beckman Institute. As the sole corporate member, it retains certain reserved powers relating to the activities of the Medical Center, the Medical Foundation, and the Beckman Institute, including powers relating to borrowing money or guaranteeing obligations and approving capital and operating budgets. The Corporation also functions as the philanthropy organization of City of Hope.

- The Medical Center owns and operates a 217 licensed bed acute care hospital, treating primarily cancer and other life threatening diseases.
- The Medical Foundation provides teaching, education and research services in support of the Medical Center and the Beckman Institute, as well as an extensive range of medical care and treatment through outpatient clinic facilities operated by the Medical Foundation.
- The Beckman Institute owns and operates a number of research facilities on and around City of Hope's main campus and conducts basic scientific research in support of and in conjunction with the patient care activities of the Medical Center and the Medical Foundation.

The Corporation, the Medical Center, the Medical Foundation and the Beckman Institute, each a California nonprofit public benefit corporation and an organization described under Section 501(c)(3) of the Code, are the members of an Obligated Group created pursuant to an Amended and Restated Master Trust Indenture dated as of October 1, 2023, which Amended and Restated Master Trust Indenture will become effective simultaneously with the issuance of the Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant: City of Hope
1500 East Duarte Road
Duarte, California 91010
(626) 218-9946

Contact: Donald Matthewson, VP Treasury and Financial Strategy

Website: www.cityofhope.org

Project name: COH HoldCo Inc. (City of Hope Project)

Bond Financed Locations: Zion, Illinois; Newnan, Georgia; Goodyear, Arizona

Corporation's Board of Directors:

Glenn D. Steele
Pam Boneham
Barbara Bruser, CFA
Morgan Chu, Esq.
Philip Fasano
Steven B. Fink
Selwyn Isakow
William J. Post
Ronald L. Sargent
Suzanne Vautrinot
Adrienne White-Faines

PROFESSIONAL & FINANCIAL

Corporation's Counsel:	Chapman and Cutler LLP	Chicago, IL	David Kates
Bond Counsel:	Hawkins Delafield & Wood LLP	San Francisco, CA	Jon Renken
Bank Purchaser:	Bank of America	New York, NY	Gerald Knorr
Bank Purchaser's Counsel:	Maynard Cooper & Gale LLP	Birmingham, AL	Hobby Presley
Corporation's Financial Advisor:	Kaufman, Hall & Associates, LLC	Chicago, IL	Eric Jordahl
Trustee:	U.S. Bank	San Francisco, CA	Sonia Flores
Authority Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Chad Doobay

LEGISLATIVE DISTRICTS

Congressional: 10
State Senate: 31
State House: 61

SERVICE AREA

The Cancer Treatment Center of America in Zion, Illinois has a national draw with majority of patients coming from Illinois and surrounding states. Below is the breakdown based on treatments from 7/1/2022-6/30/2023.

- Illinois: 549 (47.6%)
- Michigan: 156 (13.5%)
- Wisconsin: 119 (10.3%)
- Indiana: 87 (7.5%)
- Missouri: 41 (3.6%)
- Iowa: 34 (2.9%)
- Ohio: 33 (2.9%)
- Minnesota 14 (1.2%)

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September 12, 2023

\$250,000,000 (not-to-exceed)

The Carle Foundation

REQUEST	<p>Purpose: The Carle Foundation (“Carle” or the “Borrower”), an Illinois not for profit corporation, has requested that the Illinois Finance Authority (the “Authority”) issue its Revenue Bonds, Series 2023, in one or more fixed and/or variable rate, tax-exempt series, in an aggregate principal amount not to exceed \$250,000,000 (the “Bonds”) to be used to: (i) pay or reimburse the Borrower for the cost of acquiring certain assets of Iowa Health System (d/b/a UnityPoint Health) including but not limited to the hospitals known as The Methodist Medical Center of Illinois, Proctor Hospital and Pekin Memorial Hospital, and affiliated clinics, home health services, behavioral health and recovery services and a college known as Methodist College; (ii) pay or reimburse the Borrower and/or the other Obligated Group Members (as hereinafter defined) for the cost of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities; (iii) pay a portion of the interest on the Bonds, if deemed necessary or desirable by the Borrower; (iv) provide working capital, if deemed necessary or desirable by the Borrower; (v) establish a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None</p>			
BOARD ACTIONS	Final Bond Resolution (<i>one-time consideration</i>)			
MATERIAL CHANGES	None. This is the first time this project has been presented to the Members of the Authority.			
JOB DATA	~14,700	Current jobs (FTE IL)	0	New jobs projected
	N/A	Retained jobs	0	Construction jobs projected
BORROWER DESCRIPTION	<ul style="list-style-type: none">Locations: Hospitals are located in the cities of Urbana, Normal, Hoopeston, Olney, Eureka, Peoria and Pekin. Clinical facilities are located in the following counties: Bureau, Champaign, Coles, Douglas, Edwards, Effingham, Fulton, Iroquois, Knox, Lawrence, Livingston, Logan, Marshall, McLean, Peoria, Piatt, Richland, Tazewell, Vermilion and Woodford.The Borrower is an Illinois not-for-profit corporation which serves as the parent of an integrated healthcare delivery system known as Carle Health (the Borrower and its wholly owned subsidiaries and wholly controlled affiliates collectively are referred to herein as the “System”). The Borrower provides a broad spectrum of inpatient and outpatient healthcare services and continuing care retirement community services to a large and predominantly rural service area across 42 counties in east-central Illinois and three counties in west-central Indiana surrounding the cities of Champaign and Urbana, Illinois.In 2023, The Carle Foundation Hospital ranked as one of America’s 50 Best Hospitals by Healthgrades for the eighth consecutive year, and a Best Hospital by <i>U.S. News and World Report</i> for the eleventh consecutive year. The Carle Foundation Hospital has achieved Magnet® designation, the nation’s highest honor for nursing care, three times since 2009 and Carle Health Methodist Hospital has achieved Magnet® designation four times. In addition, The Carle Foundation Hospital and Health Alliance Medical Plans, Inc. secured Great Place to Work in Healthcare™ honors for the sixth straight year in 2023.The Borrower is the Obligated Group Agent for an Obligated Group under a Master Trust Indenture. The Obligated Group consists of the Borrower, The Carle Foundation Hospital, Carle Health Care Incorporated, Carle Retirement Centers, Inc., Carle BroMenn Medical Center, Carle Eureka Hospital, Hoopeston Community Memorial Hospital, Richland Memorial Hospital, Inc., Carle West Physician Group, Inc., Carle Health-West Region, The Methodist Medical Center of Illinois, Pekin Memorial Hospital, Proctor Hospital, Carle Health-East Region, Carle Health-Central Region and Carle Health-South Region			

	(collectively, the “ Obligated Group Members ”). Each of the Obligated Group Members is an Illinois not-for-profit corporation and is exempt from federal income taxation.		
SECURITY/MATURITY	<ul style="list-style-type: none"> The Bonds are expected to be secured by one or more obligations of the Obligated Group Members under a Master Trust Indenture. Such obligation(s) will include a pledge of revenues. The Bonds will fully mature no later than August 15, 2063 (40 years). 		
STRUCTURE/CREDIT INDICATORS	<ul style="list-style-type: none"> The Bonds will be issued as one or more series of fixed and/or variable rate, tax-exempt bonds and will be directly purchased by a bank, Bank of America, N.A. The Bonds will not carry a rating due to the direct purchase structure. The Borrower has long-term underlying ratings of ‘AA-’, Negative Outlook, by S&P Global Ratings as of July 27, 2023; and ‘AA-’, Stable Outlook, by Fitch as of June 13, 2023. Initial sale and secondary market resale of the Bonds will be limited to institutional Accredited Investors and/or Qualified Institutional Buyers in minimum denominations of \$100,000 (and would thereby be sold in a manner consistent with existing Authority Bond Handbook requirements applicable to the sale of non-rated bonds). Secondary market resales of the Bonds may be in \$5,000 denominations if the Bonds become rated and certain other agreed to conditions are met. 		
ESTIMATED SOURCES AND USES	Sources: Bonds \$250,000,000 Equity for financing expenses <u>5,000,000</u> Total <u>\$255,000,000</u>	Uses: New Money \$250,000,000 Cost of Issuance <u>5,000,000</u> Total <u>\$255,000,000</u>	
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.		

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ILLINOIS FINANCE AUTHORITY BOARD SUMMARY September 12, 2023

Project: The Carle Foundation

STATISTICS

Project Number:	12567
Amount:	\$250,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds
Authority Staff:	Sara D. Perugini
Cities (IL Hospitals)*:	Champaign, Urbana, Hoopeston, Olney, Normal, Eureka, Peoria and Pekin
County/Region (IL Hospitals)*	Champaign, McLean, Peoria, Richland, Tazewell, Vermilion and Woodford / East Central Region
*Clinics are located throughout the state. Please see TEFRA notice for additional detail.	

BOARD ACTION

Final Bond Resolution (<i>one-time consideration</i>)	No Authority funds at risk
Conduit 501(c)(3) Revenue Bonds	No extraordinary conditions
Staff recommends approval of the Final Bond Resolution presented for consideration in connection with financing.	

AUTHORITY PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and/or refinance capital projects that will be or are used to further their charitable missions. With respect to tax-exempt bonds, the Authority's issuance will convey federal tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bond issues do not require Volume Cap.

JOBS

Current employment:	~14,700 FTEs (in Illinois)	Projected new jobs: 0
Retained jobs	N/A	Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
Bonds	\$250,000,000	New Money	\$250,000,000
Equity for financing expenses	<u>5,000,000</u>	Cost of Issuance	<u>5,000,000</u>
Total	<u>\$255,000,000</u>	Total	<u>\$255,000,000</u>

FINANCING SUMMARY

Security:	The Bonds are expected to be secured by one or more obligations of the Obligated Group Members under the Master Trust Indenture. Such obligation(s) will include a pledge of revenues.
Structure:	The Bonds will be issued as one or more series of fixed and/or variable rate, tax-exempt bonds and will be directly purchased by a bank, Bank of America, N.A.
Interest Rate:	It is currently contemplated that the Bonds will be issued at a fixed rate, estimated to be determined on or about September 25, 2023. The Final Bond Resolution establishes an interest rate of not to exceed 7%. As of August 28, 2023, Kaufman Hall estimates the rate to be 6.50%.

Interest Mode: Fixed Rate

Maturity: The Bonds will fully mature no later than August 15, 2063 (40 years).

Rating: The Bonds will not carry a rating due to the direct purchase structure. The Borrower has long-term underlying ratings of 'AA-', Negative Outlook, by S&P Global Ratings as of July 27, 2023; and 'AA-', Stable Outlook, by Fitch as of June 13, 2023.

Initial sale and secondary market resale of the Bonds will be limited to institutional Accredited Investors and/or Qualified Institutional Buyers in minimum denominations of \$100,000 (and would thereby be sold in a manner consistent with existing Authority Bond Handbook requirements applicable to the sale of non-rated bonds). Secondary market resales of the Bonds may be in \$5,000 denominations if the Bonds become rated and certain other agreed to conditions are met.

Credit Enhancement: None

Estimated Closing Date: October 3, 2023

PROJECT SUMMARY

Carle is requesting the Illinois Finance Authority to issue its Revenue Bonds, Series 2023, in one or more fixed and/or variable rate, tax-exempt series, in an aggregate principal amount not to exceed \$250,000,000 (the "Bonds") to be used to: (i) pay or reimburse the Borrower for the cost of acquiring certain assets of Iowa Health System (d/b/a UnityPoint Health) including but not limited to the hospitals known as The Methodist Medical Center of Illinois, Proctor Hospital and Pekin Memorial Hospital, and affiliated clinics, home health services, behavioral health and recovery services and a college known as Methodist College; (ii) pay or reimburse the Borrower and/or the other Obligated Group Members (as hereinafter defined) for the cost of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities; (iii) pay a portion of the interest on the Bonds, if deemed necessary or desirable by the Borrower; (iv) provide working capital, if deemed necessary or desirable by the Borrower; (v) establish a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds.

BUSINESS SUMMARY

The Borrower is an Illinois not-for-profit corporation which serves as the parent of an integrated healthcare delivery system known as **Carle Health** (the Borrower and its wholly owned subsidiaries and wholly controlled affiliates collectively are referred to herein as the "**System**"). The Borrower provides a broad spectrum of inpatient and outpatient healthcare services and continuing care retirement community services to a large and predominantly rural service area across 42 counties in east-central Illinois and three counties in west-central Indiana surrounding the cities of Champaign and Urbana, Illinois.

The Borrower generally is comprised of the following:

- Six acute care and two critical access hospitals on multiple campuses providing a full range of ancillary and support services:
 - a. The Carle Foundation Hospital operates a 489-licensed bed tertiary care facility in Urbana, Illinois, representing the region's only Level I Trauma Center and Level III NICU;
 - b. Carle BroMenn Medical Center owns and operates a 221-licensed bed acute care hospital located in Normal, Illinois;
 - c. Hoopeston Community Memorial Hospital d/b/a Carle Hoopeston Regional Health Center owns and operates a 24-licensed bed critical access hospital located in Hoopeston, Illinois;
 - d. Richland Memorial Hospital, Inc. d/b/a Carle Richland Memorial Hospital owns and operates a 104-licensed bed acute care facility located in Olney, Illinois;

- e. Carle Eureka Hospital owns and operates a 25-licensed bed critical access hospital located in Eureka, Illinois;
- f. The Methodist Medical Center of Illinois d/b/a Carle Health Methodist Hospital owns and operates a 329-licensed bed acute care hospital in Peoria, Illinois.
- g. Pekin Memorial Hospital d/b/a Carle Health Pekin Hospital owns and operates an 85-licensed bed acute care hospital in Pekin, Illinois.
- h. Proctor Hospital d/b/a Carle Health Proctor Hospital owns and operates a 228-licensed bed acute care hospital in Peoria, Illinois.
- Three multi-specialty physician group practices, located in 17 counties across central Illinois and three counties in southern Illinois, which employ approximately 897 practicing physicians and 523 advanced practice providers;
- The Carle Illinois College of Medicine, an independently accredited college of medicine within the University of Illinois system through an affiliation between the Borrower and the University of Illinois;
- One of the nation's largest rural health plans offering health maintenance organization and preferred provider organization products, with approximately 238,000 members through five insurers across six states;
- 174-unit continuing care retirement community, a 42-county home care agency and a certified hospice;
- Cayman Island-based captive insurance company that underwrites professional liability, workers' compensation, and certain stop loss and excess coverage risks; and
- Ambulatory surgery center, an emergency transportation system, and a durable medical equipment company.

In 2023, The Carle Foundation Hospital ranked as one of America's 50 Best Hospitals by Healthgrades for the eighth consecutive year, and a Best Hospital by U.S. News and World Report for the eleventh consecutive year. The Carle Foundation Hospital has achieved Magnet® designation, the nation's highest honor for nursing care, three times since 2009 and Carle Health Methodist Hospital has achieved Magnet® designation four times. In addition, The Carle Foundation Hospital and Health Alliance Medical Plans, Inc. secured Great Place to Work in Healthcare™ honors for the sixth straight year in 2023.

The Obligated Group consists of the Borrower, The Carle Foundation Hospital, Carle Health Care Incorporated, Carle Retirement Centers, Inc., Carle BroMenn Medical Center, Carle Eureka Hospital, Hoopeston Community Memorial Hospital, Richland Memorial Hospital, Inc., Carle West Physician Group, Inc., Carle Health-West Region, The Methodist Medical Center of Illinois, Pekin Memorial Hospital, Proctor Hospital, Carle Health-East Region, Carle Health-Central Region and Carle Health-South Region (collectively, the "**Obligated Group Members**"). Each of the Obligated Group Members is an Illinois not-for-profit corporation and is exempt from federal income taxation.

As of December 31, 2022, the Obligated Group Members accounted for approximately 84% of total System assets and approximately 88% of total System net assets. For the fiscal year ended December 31, 2022, the Obligated Group Members accounted for approximately 55% of System unrestricted revenues, gains and other support.

The Borrower also serves as the ultimate parent corporation of other Non-Obligated Affiliates in the System. Some of the material affiliates are listed below:

- a. Carle Holding Company, Inc. ("CHC") is the parent company of Health Alliance. CHC also owns 39% of the stock of Stratum Med, Inc, which provides group purchasing, insurance, business office support services, recruiting services, pharmacy benefit purchasing coalition, information technology, and clinical research savings and services to its owners.
- b. Health Alliance Medical Plans, Inc. ("Health Alliance") is an Illinois taxable for profit insurance company and was organized as an Accident and Health Class 1(b) insurer to offer PPO and point-of-sale ("POS") products. Health Alliance is also licensed to provide third party administrative services for self-insured group health plans in Illinois, Iowa, Nebraska and Missouri.

- c. Health Alliance Connect, Inc. (“HAC”) is an Illinois taxable not-for-profit corporation that provides health care services to its enrollees, including beneficiaries of governmental programs. HAC has been granted authority to operate HMOs in Illinois, Indiana and Ohio.
- d. Health Alliance Northwest Holding is a taxable Washington not-for-profit corporation formed for the purpose of owning a subsidiary that functions as a health care services contractor providing health care services to beneficiaries in the State of Washington.
- e. Health Alliance Northwest Health Plan (“HANHP”) is a Washington not-for-profit corporation, the sole shareholder of which is Health Alliance Northwest Holding. HANHP holds a Washington business license as a commercial fully-insured and self-insured Medicare Advantage business.
- f. FirstCarolinaCare Insurance Company is a taxable not-for-profit corporation licensed as a life, accident, and health insurance company in the states of North Carolina and South Carolina.
- g. The Carle Development Foundation, d/b/a Carle Health Center for Philanthropy, is an Illinois not-for-profit corporation that performs fundraising and development functions for the System’s not-for-profit entities.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Carle Foundation
Location: 611 W. Park St.
Urbana (Champaign County), IL
61801-2595
Project name: The Carle Foundation
Organization: 501(c)(3) Not-for-Profit Corporation
Contact: Scott Hendrie, Vice President of Finance – Treasury, (217) 902-6342
scott.hendrie@carle.com
Website: www.carle.org
State: Illinois

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Board of Trustees

<u>Name, Office and Occupation</u>	<u>Appointment Date</u>	<u>Current Term Expires September</u>
Paul Tucker, PhD, Chair <i>Retired, Corporate Executive, Computer Sciences Corp.</i>	2016	2025
Mark Czys, CPA, Vice Chair <i>Chief Operating Officer, Green Street Realty</i>	2019	2024
Uretz Oliphant, M.D., Secretary/Treasurer <i>General Surgery, Carle Physician Group</i>	2015	2023
James C. Leonard, M.D. <i>President & Chief Executive Officer of the Parent</i>	1999	Ex-officio/non-voting
Karl Appelquist, CPA, Immediate Past Chair <i>Managing Principal, CliftonLarsonAllen</i>	2014	2023
Sherfield Dawson, M.D. <i>General Surgery, da Vinci Robotic Surgery, Trauma Surgery, Carle Physician Group</i>	2022	2025
Michael Devocelle <i>Higher Education Administration, University of Illinois</i>	2020	2024
Aja Lystila, M.D. ¹ <i>Family Medicine, Carle Physician Group</i>	2018	2024
Ryan Porter, M.D. <i>Adult & Pediatric Otolaryngology, Neurotology & Skull Base Surgery, Carle Physician Group</i>	2020	2025
Debbie Simon <i>Retired, Healthcare Executive, Methodist Health Services</i>	2023	2023
James Stevenson <i>Retired, Healthcare Executive, HCH</i>	2023	2024
Dennis Triggs <i>Retired, Attorney/Partner, Miller, Hall & Triggs</i>	2023	2025
Phyllis Wise, PhD <i>Chief Executive Officer, Colorado Longitudinal Study</i>	2020	2024
Jamel Wright, PhD <i>President, Eureka College</i>	2022	2025
Maryjane Wurth <i>Retired, Healthcare Executive</i>	2021	2023

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Borrower's Financial Advisor	Kaufman Hall	Chicago, IL	Jennifer Brown
			Connie Zhai
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	David Kates
			Megan Rudd
Bank Purchaser:	Bank of America, N.A.	New York, NY	James Kim
Bank Purchaser's Counsel:	Maynard Nexsen	Birmingham, AL	Hobby Presley
Trustee:	The Bank of New York Mellon		
	Trust Company, N.A.	Chicago, IL	Patricia Trlak
Authority's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Sam J. Witsman

LEGISLATIVE DISTRICTS*

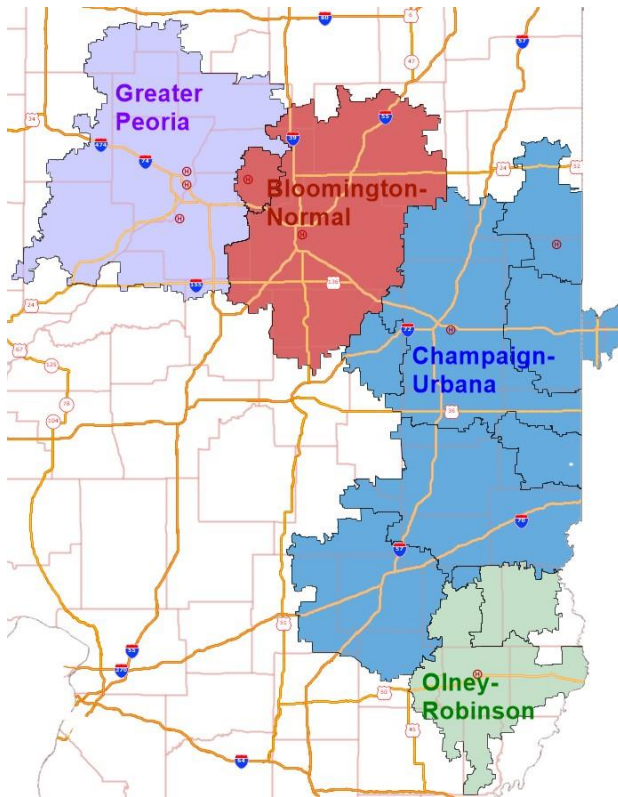
Congressional:	2, 12, 13, 15, 16, 17
State Senate:	37, 44, 46, 47, 51, 52, 53, 55, 58
State House:	73, 87, 88, 91, 92, 93, 94, 101, 102, 103, 104, 105, 106, 110, 116

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SERVICE AREA

The Borrower's primary service area (the "Primary Service Area") includes Champaign County and all or portions of Clark, Coles, Cumberland, Douglas, Edgar, Effingham, and Vermilion counties in east central Illinois and portions of three counties in Indiana. The secondary service area (the "Secondary Service Area") includes three additional regions (Greater Peoria, Bloomington-Normal, and Olney-Robinson) and with the Primary Service Area includes all or portions of 42 total counties in eastern, central and southern Illinois. The following map shows the Primary Service Area, the Secondary Service Area, the location of the Hospitals and their major competitors.

System Service Area and Competitors



Hospitals in Service Areas	Staffed Beds*
OSF St. Francis	649
Carle Foundation Hospital	417
Carle Methodist	303
Carle BroMenn Medical Center	179
OSF Heart of Mary	172
OSF St. Joseph Medical Center	149
Sarah Bush Lincoln	141
Carle Proctor	135
HSHS St Anthony's	133
OSF Sacred Heart	114
Graham Hospital	69
Carle Richland Memorial Hospital	68
OSF St. James	42
Gibson Area Hospital	41
Carle Pekin	39
Crawford Memorial	25
Horizon Paris	25
OSF St. Luke	25
Dr. John Warner	25
Kirby Medical Center	25
Carle Hoopeston Regional Health Center	24
Carle Eureka Hospital	25

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REQUEST	Final Bond Resolution	Date: September 12, 2023
PROJECT	<p>Purpose: Bond proceeds will be loaned to Waste Management, Inc., a Delaware corporation (the “<u>Borrower</u>” or the “<u>Corporation</u>”) in order to assist the Corporation in providing a portion of the funds necessary to do any or all of the following: (a) finance improvements to existing landfill facilities, including but not limited to (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site and/or land improvements, including construction of building facilities, (vi) acquisition of real property, (vii) acquisition of equipment to be used at the landfill facilities, and (viii) acquisition of other equipment and assets necessary to support the foregoing additions and improvements and to place them into service (collectively, the “<u>Project</u>”), all owned and operated by the Corporation or one of its wholly-owned subsidiaries and located within the State at the following addresses and localities: (A) 31725 N. Route 83, Grayslake (Lake County); (B) 13998 E. 1400th Street, Macomb (McDonough County); (C) 10400 Hillstown Road, Marissa (Saint Clair County); (D) 21233 W. Laraway Road, Joliet (Will County); (E) 601 Madison Street, East Saint Louis (Saint Clair County); (F) 18370 N. Somonauk Road, DeKalb (DeKalb County); (G) 890 East 1500 North Road, Taylorville (Christian County); (H) 29755 S. Prairie View Drive, Wilmington (Will County); (I) 18762 Lincoln Road, Morrison (Whiteside County); (J) 8290 N. IL Route 251, Davis Junction (Ogle County); and (K) 1145 Bear Road, Decatur (Macon County); and (b) pay all or a portion, if any, of the costs of issuance of the Bonds..</p> <p>Project Number: 12571</p> <p>Volume Cap: Issuance of the Bonds will require an allocation of unused volume cap that Authority staff elected to carryforward during the previous three calendar years for such purposes.</p> <p>Extraordinary Conditions: The Authority may issue the Bonds under the Authority Act or under the Illinois Environmental Facilities Financing Act, 20 ILCS 3515-1, et seq., as amended.</p>	
LOCATION(S)	Taylorville (Christian County), DeKalb (DeKalb County), Grayslake (Lake County), Macomb (McDonough County), Decatur (Macon County), Davis Junction (Ogle County), East Saint Louis and Marissa (Saint Clair County), Morrison (Whiteside County), and Joliet and Wilmington (Will County)	
JOB DATA	Current Jobs: 148 (at Project Sites) Retained Jobs: Not applicable	New Jobs*: 3-4 Construction Jobs*: 0

PRIOR ACTION	None. This is the first time this financing has been presented to the Members of the Authority. Material Changes: Not applicable.																			
FINANCING	The plan of finance contemplates that tax-exempt qualified private activity bonds will be sold through a public offering and remarketed from time to time in an aggregate principal amount not-to-exceed \$50 million by BofA Securities, Inc. (the “ <u>Underwriter</u> ” or the “ <u>Remarketing Agent</u> ”). Rating: The Borrower has applied to S&P Global Ratings for a long-term rating and a short-term rating in connection with the proposed issuance of the Bonds. Authorized Denominations: The Bonds will be available in denominations of (i) \$100,000 or any integral multiple of \$5,000 in excess thereof, if the Bonds are bearing interest in the SIFMA Interest Rate Period, a Term Interest Rate Period of less than one year, or 3-Month Term Interest Rate Period or (ii) \$5,000 or any integral multiple of \$5,000 in excess thereof , if the Bonds are bearing interest in a Term Interest Rate Period of one year or more.																			
INTEREST RATE	The term of the Bonds will be divided into consecutive Interest Rate Periods, during each of which the Bonds shall bear interest at an Index Interest Rate, a SIFMA Interest Rate, a Daily Interest Rate, a Weekly Interest Rate or a Term Interest Rate. Under the proposed multi-modal structure, the Bonds shall bear interest at stated rates not exceeding 12.0% per annum.																			
MATURITY	The Final Bond Resolution authorizes a final maturity of not later than 40 years from the date of issuance.																			
SECURITY	The Bonds will be secured by a Promissory Note delivered to the Authority as evidence of its obligations under the Loan Agreement, and the Bonds will be guaranteed pursuant to a Guaranty Agreement from Waste Management Holdings, Inc., a wholly-owned subsidiary of the Borrower (the “ <u>Guarantor</u> ”).																			
SOURCES & USES†	<table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>Bonds</td><td>\$50,000,000</td><td>Project</td><td>\$50,000,000</td></tr><tr><td>Equity</td><td><u>1,000,000</u></td><td>Cost of Issuance</td><td><u>1,000,000</u></td></tr><tr><td>Total</td><td><u>\$51,000,000</u></td><td>Total</td><td><u>\$51,000,000</u></td></tr></table>				Sources:		Uses:		Bonds	\$50,000,000	Project	\$50,000,000	Equity	<u>1,000,000</u>	Cost of Issuance	<u>1,000,000</u>	Total	<u>\$51,000,000</u>	Total	<u>\$51,000,000</u>
Sources:		Uses:																		
Bonds	\$50,000,000	Project	\$50,000,000																	
Equity	<u>1,000,000</u>	Cost of Issuance	<u>1,000,000</u>																	
Total	<u>\$51,000,000</u>	Total	<u>\$51,000,000</u>																	
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution.																			

*Projected

† Preliminary, subject to change

PROJECT AND FINANCING SUMMARY

PROGRAM AND CONTRIBUTION

The Illinois Finance Authority (“Authority”) may issue bonds from time to time as provided in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the “Authority Act”), for the purposes set forth therein. Tax-exempt qualified private activity bonds issued by the Authority (and any premium thereon and the interest thereon) do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the State of Illinois (“State”) or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision.

Because interest paid to bondholders on such obligations is not includable in their gross income for federal income tax purposes, bondholders are willing to accept a lower interest rate than they would accept if the interest was taxable. Special rules apply to bonds that are private activity bonds for those bonds to be tax-exempt qualified private activity bonds.

BUSINESS SUMMARY

The following is an excerpt from the Corporation’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed by the Corporation with the Securities and Exchange Commission (the “SEC”):

Waste Management, Inc. is a holding company and all operations are conducted by its subsidiaries. When the terms “the Company,” “we,” “us” or “our” are used in this document, those terms refer to Waste Management, Inc., together with its consolidated subsidiaries and consolidated variable interest entities. When we use the term “WMI,” we are referring only to Waste Management, Inc., the parent holding company.

WMI was incorporated in Oklahoma in 1987 under the name “USA Waste Services, Inc.” and was reincorporated as a Delaware company in 1995. In a 1998 merger, the Illinois-based waste services company formerly known as Waste Management, Inc. became a wholly-owned subsidiary of WMI and changed its name to Waste Management Holdings, Inc. (“WM Holdings”). At the same time, our parent holding company changed its name from USA Waste Services to Waste Management, Inc. Like WMI, WM Holdings is a holding company and all operations are conducted by subsidiaries.

Our principal executive offices are located at 800 Capitol Street, Suite 3000, Houston, Texas 77002. Our telephone number is (713) 512-6200. Our website address is www.wm.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K are all available, free of charge, on our website as soon as practicable after we file the reports with the SEC. Our stock is traded on the New York Stock Exchange under the symbol “WM”.

We are North America’s leading provider of comprehensive environmental solutions, providing services throughout the United States (“U.S.”) and Canada. We partner with our residential, commercial, industrial and municipal customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. Our “Solid Waste” business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provide collection, transfer, disposal, and recycling and resource recovery services. Through our subsidiaries, including our Waste Management Renewable Energy (“WM Renewable Energy”) business, we are also a

leading developer, operator and owner of landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and renewable natural gas, which is a significant source of fuel for our natural gas fleet. During 2022, our largest customer represented less than 5% of annual revenues. We employed approximately 49,500 people as of December 31, 2022.

We own or operate 259 landfill sites, which is the largest network of landfills throughout the U.S. and Canada. In order to make disposal more practical for larger urban markets, where the distance to landfills is typically farther, we manage 337 transfer stations that consolidate, compact and transport waste efficiently and economically. We also use waste to create energy, recovering the gas produced naturally as waste decomposes in landfills and using the gas in generators to make electricity. We are a leading recycler in the U.S. and Canada, handling materials that include cardboard, paper, glass, plastic and metal. We provide cost-efficient, environmentally sound recycling programs for municipalities, businesses and households across the U.S. and Canada as well as other services that supplement our Solid Waste business.

Our fundamental strategy has not changed; we remain dedicated to providing long-term value to our stockholders by successfully executing our core strategy of focused differentiation and continuous improvement. As North America's leading provider of comprehensive environmental solutions, sustainability and environmental stewardship is embedded in all that we do. We have enabled a people-first, technology-led focus to drive our mission to maximize resource value, while minimizing environmental impact, so that both our economy and our environment are positively impacted. Our strategy leverages and sustains the strongest asset network in the industry to drive best-in-class customer experience and growth. Our strategic planning processes appropriately consider that the future of our business and the industry can be influenced by changes in economic conditions, the competitive landscape, the regulatory environment, asset and resource availability and technology. We believe that focused differentiation, which is driven by capitalizing on our unique and extensive network of assets, will deliver profitable growth and position us to leverage competitive advantages. Simultaneously, we believe the combination of cost control and investing in automation to improve processes and drive operational efficiency will yield an attractive total cost structure and enhanced service quality. While we continue to improve existing diversion technologies, such as through investments in our recycling operations, we are also evaluating and pursuing emerging diversion technologies that may generate additional value.

Our Company's goals are targeted at putting our people first, positioning them to serve and care for our customers, the environment, the communities in which we work and our stockholders. Our brand promise is ALWAYS WORKING FOR A SUSTAINABLE TOMORROW®. We live this promise through our service offerings and sustainable solutions, our investments in innovation, our people, and our commitment to the future. Through our longtime focus on finding sustainable solutions, we continue to evolve beyond being a traditional environmental waste services company. Increasingly, our industry-leading focus on environmental sustainability aligns with demand from our customers who want more of their waste materials recovered. Waste streams are becoming more complex, and our aim is to address current needs, while anticipating the expanding and evolving needs of our customers. We believe we are uniquely equipped to meet the challenges of the changing waste industry and our customers' waste management needs, both today and tomorrow as we work together to envision and create a more sustainable future.

We believe that execution of our strategy will deliver shareholder value and leadership in a dynamic industry and challenging economic environment. In addition, we intend to continue to return value to our stockholders through dividend payments and our common stock repurchase

program. In December 2022, we announced that our Board of Directors expects to increase the quarterly dividend from \$0.65 to \$0.70 per share for dividends declared in 2023, which is a 7.7% increase from the quarterly dividends we declared in 2022. This is an indication of our ability to generate strong and consistent cash flows and marks the 20th consecutive year of dividend increases. All quarterly dividends will be declared at the discretion of our Board of Directors and depend on various factors, including our net earnings, financial condition, cash required for future business plans, growth and acquisitions and other factors the Board of Directors may deem relevant.

OWNERSHIP OR ECONOMIC DISCLOSURE STATEMENT

The expected initial legal owner or principal user of the facilities being financed with the proceeds of the Bonds is the Borrower or an affiliate of the Borrower (including Waste Management of Illinois, Inc., Countryside Landfill, Inc., Envirofil of Illinois, Inc., Waste Management of Five Oaks Recycling and Disposal Facility, Inc., Advanced Disposal Services Orchard Hills Landfill, Inc. and Advanced Disposal Services Valley View Landfill, Inc.).

Applicant: Waste Management, Inc., 800 Capitol Street, Suite 3000, Houston, TX 77002

Contact: Jeff Bennett, Assistant Treasurer **Email:** jbenet6@wm.com

Website: <https://www.wm.com/>

Ownership

Interest: Common Stock of Waste Management, Inc. is traded on the New York Stock Exchange under the symbol “WM”. Any entity owning a 5.0% or greater ownership interest in the Borrower is identified below:

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The table below shows information for persons known to us to beneficially own more than 5% of our Common Stock based on their filings with the SEC through March 14, 2023.

Name and Address	Shares Beneficially Owned	
	Number	Percent ⁽¹⁾
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	37,490,065 ⁽²⁾	9.2%
Melinda French Gates; William H. Gates III 500 Fifth Avenue North Seattle, WA 98109	35,238,154 ⁽³⁾	8.7%
Bill & Melinda Gates Foundation Trust 2365 Carillon Point Kirkland, WA 98033		
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	30,411,118 ⁽⁴⁾	7.5%

(1) Percentage is calculated using the number of shares of Common Stock outstanding and entitled to vote as of March 14, 2023.

PROFESSIONAL AND FINANCIAL INFORMATION

Borrower's/ Bond Counsel:	Locke Lord LLP	Boston, MA	Stephanie Massey Michael Meidinger Todd Cooper
		Cincinnati, OH	
Underwriter/ Remarketing Agent:	BofA Securities, Inc.	San Francisco, CA Chicago, IL	Lawrence Tonomura John Emerson
Underwriter's Counsel:	Norton Rose Fulbright US LLP	New York, NY	James Marlin Anna Lee Siyi Zhu
Trustee:	U.S. Bank, National Association	Philadelphia, PA	Gregory Guim
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour Sharone Levy

LEGISLATIVE DISTRICTS

Congressional:	1, 10, 12, 13, 14, 15, 16, 17
State Senate:	31, 35, 36, 37, 40, 43, 45, 48, 54, 57, 58
State House:	62, 70, 71, 74, 80, 86, 89, 96, 107, 113, 115

SERVICE AREA

Waste Management, Inc. offers comprehensive and sustainable waste management and recycling solutions throughout the State, including 233 locations as of September 5, 2023.

To: Authority Members
From: Lorrie Karcher
Date: September 12, 2023
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$616,100 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$616,100.00**
- **Calendar Year Activity Summary:** (as of September 12, 2023)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$1,563,150
 - Volume Cap Remaining: \$8,436,850
 - Average Farm Acreage: 44
 - Number of Farms Financed: 5
- **Benefits:**
 - **Succession Planning** for next generation of young farmers
 - **Conduit Tax-Exempt Bonds** – no direct Authority or State funds at risk
 - **New Money Bonds:**
 - Authority conveys tax-exempt, municipal bond status onto the financing
 - Will use dedicated 2023 Authority Volume Cap set-aside for Beginning Farmer Bond transactions
- **Authority Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each financing.
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, as with a commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
 - Note: Commercial Banks frequently pair Beginning Farmer Bonds with two programs offered by the U.S. Department of Agriculture's (USDA's) **Farm Service Agency ("FSA")**. (1) The **FSA's Down Payment Assistance Loan Program** provides for a 5% Equity-45% FSA Subordinate Loan-50% Bank-Purchased Beginning Farmer Bond structure for first-time farmers. (2) The **FSA's Participation Loan Program** provides a 50% Bank (Beginning Farmer Bond) -50% FSA Participation Loan and requires no borrower equity. The FSA's Down Payment Assistance Loan rate is 1.50% fixed. The FSA Participation Loan rate is 2.50% fixed. **The FSA is the unit of the U.S. Department of Agriculture that manages farm credit and loan programs.**
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.** - 70 West Madison, Suite 4300, Chicago, IL 60602
Contact: Martin T. Burns

A. Project Number:	30471
Borrower(s):	Fox, Trevor A.
Borrower Benefit:	First Time Land Buyer
Town:	Emington, IL
Authority Bond Amount:	\$616,100.00
Use of Funds:	Farmland –80 acres of farmland
Purchase Price:	\$616,100 / \$7,701 per acre
% Borrower Equity	0%
% Authority Bonds	100% (Bank Purchased Bond – Bank secured by 1st Mortgage)
Township:	Odell
Counties/Regions:	Livingston / North Central
Bond Purchaser:	State Bank of Graymont
Lender Contact:	Scott Baucknecht
Legislative Districts:	Congressional: 2
	State Senate: 53
	State House: 106

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin on February 1, 2025. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2025 the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

To: Members of the Illinois Finance Authority
From: Brad Fletcher, Senior Vice President
Date: September 12, 2023
Re: Issuance of Property Assessed Clean Energy Revenue Bonds

Request

At the request of CleanFund, LLC, a Delaware public benefit corporation (the “**Capital Provider**” or “**Initial Purchaser**”), I transmit herewith a Property Assessed Clean Energy (“**PACE**”) Bond Resolution authorizing the issuance of revenue bonds by the Illinois Finance Authority to be purchased by the Capital Provider or its designated transferee.

Recommendation

Staff recommends approval.

**ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
September 12, 2023****Capital Provider: CleanFund, LLC**

BOARD ACTION

PACE Bond Resolution (*One-Time Consideration*)
No extraordinary conditions.

Amount: Not to exceed \$250,000,000
No IFA funds at risk.

RECOMMENDATION

Staff recommends approval of the PACE Bond Resolution presented for consideration in connection with bond issuances to be purchased by the Capital Provider or its designated transferee.

PURPOSE

Proceeds of the Property Assessed Clean Energy Revenue Bonds will be loaned to record owners of privately-owned commercial, industrial, non-residential agricultural, or multi-family (of 5 or more units) real property to finance “energy projects” as defined under the Property Assessed Clean Energy Act, 50 ILCS 50/1 et seq.

AUTHORITY PROGRAM AND CONTRIBUTION

Under Illinois law, a record owner of a commercial property may voluntarily enter into an assessment contract with a governmental unit in order to finance or refinance up to 100% of the commercial property owner’s energy efficiency, renewable energy, and water conservation projects through the issuance of PACE bonds. Program administrators administer commercial property assessed clean energy programs on behalf of or at the discretion of counties or municipalities to facilitate access to capital within their jurisdictions.

Governmental units permissively assign assessment contracts to the Illinois Finance Authority for its standardized, efficient, and affordable PACE bond financing services, which PACE bonds are issued pursuant to subsection (d) of Section 825-65 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., in accordance with the Property Assessed Clean Energy Act.

VOLUME CAP

Property Assessed Clean Energy Revenue Bonds do not require volume cap.

JOB DATA

N/A Current Jobs
N/A Retained Jobs

N/A New Jobs Protected
* Construction Jobs Projected

*The Authority reasonably anticipates reporting at a later time the amount of construction jobs, if any, created as a result of energy projects financed by the Authority’s bond proceeds.

ESTIMATED SOURCES & USES

Sources:		Uses:	
PACE Bonds	<u>\$250,000,000</u>	Energy Project Costs (including but not limited to Capitalized Interest and/or Debt Service Reserve Funds, if any)	<u>\$250,000,000</u>
Total	<u>\$250,000,000</u>	Total	<u>\$250,000,000</u>

FINANCING SUMMARY

The conduit transactions authorized by the PACE Bond Resolution will not be rated. The plan of finance contemplates that the Capital Provider, as an institutional Accredited Investor or Qualified Institutional Buyer, will purchase the Property Assessed Clean Energy Revenue Bonds in minimum denominations of \$100,000 or more. PACE bonds will be issued pursuant to Issuance Certificates under a Master Indenture specific to the Capital Provider.

The aggregate principal amount, final maturity date, and the interest rate or rates for each energy project funded by bond proceeds shall be as set forth in the Issuance Certificates.

The Capital Provider or its designated transferee will be secured by assessment contracts which constitute liens against properties against which assessments are imposed and recorded in the office of the applicable County Recorder. The lien of the assessment contract shall run with the property until the assessment is paid in full and a satisfaction or release for the same has been recorded by the governmental unit or its program administrator and shall have the same lien priority and status as other property tax and special assessment liens as provided in the Property Tax Code.

The Capital Provider or its designated transferee shall have and possess the delegable powers and rights at law or in equity as the applicable governmental unit would have if the assessment contract had not been assigned with regard to (i) the precedence and priority of liens evidenced by the assessment contract, (ii) the accrual of interest, and (iii) the fees and expenses of collection.

Mortgage holder consent is required.

PROJECT SUMMARY

As amended, supplemented, modified or replaced, the Property Assessed Clean Energy Act states that an energy project means the acquisition, construction, installation, or modification of an alternative energy improvement, energy efficiency improvement, renewable energy improvement, or water use improvement affixed to real property (including new construction).

BUSINESS SUMMARY

Under Illinois law, an evaluation of the existing water or energy use and a modeling of expected monetary savings is required for any proposed energy efficiency improvement, renewable energy improvement, or water use improvement, unless the water use improvement is undertaken to improve water quality, before a record owner of commercial property may enter into an assessment contract with a governmental unit.

By entering into assessment contracts with governmental units, record owners expect the monetary savings to be greater than the repayment costs of certain, but not all, energy projects financed or refinanced through assessments imposed upon their respective properties.

ECONOMIC DISCLOSURE STATEMENT

Record Owners: Names of (a) shareholders holding more than 7.5% of equity interests, or (b) all general partners (if the record owner is a partnership), or (c) members holding more than 7.5% of the economic or voting interest of the record owner (if the record owner is a limited liability company), or (d) if the record owner or any property financed would be a land trust, an identification of the trust and all beneficiaries of the trust including the percentage of beneficial interest of each beneficiary of the trust, will be reported to the Authority's Secretary (or Assistant Secretary).

Capital Provider

Ownership: Please see the confidential section of this Project Summary Report.

PROFESSIONAL & FINANCIAL

Capital Provider:	CleanFund, LLC	Oakland, CA	John Kinney
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SERVICE AREA

The PACE Bond Resolution authorizes the Capital Provider or its designated transferee to purchase PACE Bonds issued by the Authority for energy projects statewide.

LEGISLATIVE DISTRICTS

Congressional: TBD
State Senate: TBD
State House: TBD

To: Members of the Illinois Finance Authority

From: Brad Fletcher, Senior Vice President

Date: September 12, 2023

Re: Resolution authorizing and approving amendments to the loan agreements relating to the certain bonds previously issued for the benefit of Roosevelt University
Series 2018, 2019 and 2020 Project Number: 12438

Request

Roosevelt University, an Illinois not for profit corporation (the “Borrower” or the “University”), and Preston Hollow Capital, LLC (the “Bond Owner Representative”), are requesting approval of a Resolution to authorize and approve (i) the execution and delivery of a First Amendment to Loan Agreement and (ii) related documents to effectuate a modification to the Borrower’s required minimum or projected minimum Unrestricted Cash and Investments in connection with each of the following:

- Illinois Finance Authority Revenue Bonds, Series 2018A (Roosevelt University) issued in the original aggregate principal amount of \$8,835,000 (the “Series 2018A Bonds”);
- Illinois Finance Authority Revenue Bonds, Series 2018B (Roosevelt University) issued in the original aggregate principal amount of \$68,675,000 (the “Series 2018B Bonds”);
- Illinois Finance Authority Revenue Bonds, Series 2019A (Roosevelt University) issued in the original aggregate principal amount of \$117,830,000 (the “Series 2019A Bonds”);
- Illinois Finance Authority Revenue Bonds, Series 2020A (Roosevelt University) issued in the maximum aggregate principal amount of \$10,000,000 (the “Series 2020A Bonds”); and
- Illinois Finance Authority Taxable Revenue Bonds, Series 2020B (Roosevelt University) issued in the maximum aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A Bonds and the Series 2020A Bonds, the “Bonds”).

Impact

Approval of the related Resolution will provide consent to changes as agreed by the Borrower and the Bond Owner Representative that will amend and restate the “Minimum UCI Consultant Requirement” in each related Loan Agreement for the Bonds. In providing its consent to each related First Amendment to Loan Agreement, the Bond Owner Representative is certifying that it is on the date hereof the Bond Owner Representative and that it is acting on behalf of not less than a majority in aggregate principal amount of Bonds outstanding.

Bond counsel anticipates that this transaction will not be considered a reissuance for tax purposes. Bond counsel has determined that a new public hearing on the project (i.e., “TEFRA Hearing” as defined by Section 147(f) of the Internal Revenue Code) will not be necessary.

Recommendation

Staff recommends approval of the related Resolution.

Background

Proceeds of the Series 2018A, Series 2018B and Series 2019A Bonds were loaned to the Borrower in order to assist the University in providing all or some of the funds necessary to do any or all of the following: (i) refund all or a portion of the Illinois Finance Authority Revenue Bonds, Series 2007 (Roosevelt University Project) (the “Refunded Series 2007 Bonds”); (ii) refund all or a portion of the Illinois Finance Authority Revenue and Refunding Bonds, Series 2009 (Roosevelt University Project) (the “Refunded Series 2009 Bonds”); (iii) refinance all or a portion of the University’s Taxable Bonds, Series 2018 (the “Refunded Taxable Bonds” and together with the Refunded Series 2007 Bonds and the Refunded Series 2009 Bonds, the “Refunded Bonds”) used to refund a portion or all of the Refunded Series 2007 Bonds and the Refunded Series 2009 Bonds; (iv) fund one or more debt service reserve funds for the benefit of the Series 2018 Bonds, if deemed necessary or desirable by the University; and (v) pay certain expenses incurred in connection with the issuance of the Series 2018 Bonds and the refunding of the Refunded Bonds.

Proceeds of the Series 2020A and Series 2020B Bonds were loaned to the Borrower in order to assist the University in providing all or some of the funds necessary to do any or all of the following: (i) pay or reimburse the University for the payment of, the costs of acquiring certain assets of Robert Morris University, an Illinois not for profit corporation (“RMU”); (ii) pay or reimburse the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs; (iii) fund capitalized interest; (iv) fund one or more debt service reserve funds for the benefit of the Series 2020 Bonds, if deemed necessary or desirable by the University; and (v) pay certain expenses incurred in connection with the issuance of the Series 2020 Bonds.

All payments relating to the Series 2018A Bonds, Series 2018B Bonds, Series 2019A Bonds, Series 2020A Bonds and Series 2020B Bonds were current as of September 5, 2023.

Ownership or Economic Disclosure Statement

Roosevelt University was established in 1945 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) organization exempt from federal income taxes under the Internal Revenue Code.

The Borrower is governed by a Board of Trustees, as follows:

Chair

James B. Connor

Retired, Chairman and Chief Executive Officer

Duke Realty

Vice Chair

Vicki Fuller, (BSBA, '79)

Founder & CEO

VLF Development, LLC

Secretary to the Board

Terry Peterson (MPA '95)

PTS Corp

Public and Faculty Members

Steve H. Abbey
Senior Vice President
Huntington Bank

Jason Alegro
Associate Professor of Clinical Sciences
College of Science, Health, and Pharmacy

Valerie Barker-Waller
Sr. Vice President and Chief Marketing Officer
YMCA of the USA

Sharon Bush (MPA '02)
Executive Director
Grand Victoria Foundation

Stephen Cerrone
Founder
SJC Advisors LLC
Associate Professor of Professional Practice – University of Miami

Jill Coleman
Professor of Psychology, Core Faculty, Women's and Gender Studies
College of Humanities, Education & Social Sciences

Bruce A. Crown
Chairman
BevBar, Inc.

Ann Ford
Partner/Managing Director, HPS Advise
Hall, Prangle & Schoonveld, LLC

Thomas Gladden
Founding Partner
Fairway Capital Management LLC

J.C. Gonzalez-Mendez
President of McDonald's Latin America, Retired
Founder, President & CEO, GM Integritas Consulting, LLC

Sarah Guernsey
Deputy Director and Senior Vice President for Curatorial Affairs
Art Institute of Chicago

John R. Hall, III, Ed.D.
CEO
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San Manuel Band of Mission Indians

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Robert Y. Paddock
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Jaime di Paulo
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Joyce E. Tucker
Vice President of Global Diversity and Employee Rights, Retired
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Marek A. Wierzb
Partner
Assurance & Advisory
Business Services
Ernst & Young

Carolyn Wiley, Faculty Trustee
Professor of Management
Roosevelt University

Joseph Yacullo
Chief Credit and Financial Risk Officer
Northern Trust Corporation

Ali R. Malekzadeh, Ph.D., the sixth president of Roosevelt University, is an expert in strategic management, an accomplished fundraiser and a visionary academic leader who has served in higher education for more than 20 years.

Professional and Financial Information

Borrower Advisor:	Columbia Capital Management, LLC	Chicago, IL	Jeff White
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Chad Doobay
Bond Owner Representative:	Preston Hollow Capital, LLC	Dallas, TX	
Bond Owner Representative Counsel:	Squire Patton Boggs	Columbus, OH	Greg Daniels Laurie Schwartz
Trustee:	The Bank of New York Mellon Trust Company, National Association	Chicago, IL	
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Chapman and Cutler LLP	Chicago, IL	David Kates

To: Members of the Illinois Finance Authority

From: Chris Meister, Executive Director

Date: September 12, 2023

Re: Resolution delegating to the Executive Director of the Illinois Finance Authority the power to fund and administer financial aid in an amount not-to-exceed \$10,000,000 related to the development of a project under the Illinois Finance Authority Act and the Reimagining Energy and Vehicles in Illinois Act and ratifying and approving certain matters related thereto

Request

The Illinois Finance Authority is requesting approval of a Resolution approving the issuance of a loan to Gotion, Inc. in an amount not-to-exceed Ten Million dollars (\$10,000,000). Gotion, Inc. is developing a facility in Manteno, Illinois that will produce batteries and related components for electric vehicles.

To directly support the development of this project, the Department of Commerce and Economic Opportunity (DCEO) has entered into a Grant Agreement pursuant to the Invest in Illinois Act and a REV Tax Credit Agreement pursuant to the Reimagining Energy and Vehicles in Illinois Act. As a condition to the support from DCEO, Gotion, Inc. must commit a minimum company investment of \$1.9 billion and the creation of 2,600 full-time jobs that are paid at least 120% of the average wage of similar job classifications in Kankakee County. The Authority's loan will provide additional financial aid in support of the stated job creation and economic development goals.

Impact

The resolution delegates to the Executive Director the authority to negotiate and determine the terms of a loan agreement, including: the amount of the loan; interest rate on the loan; the period or duration of the loan; the payment interval of frequency of repayment of the loan; the funds of the Authority that will be used to provide the loan, including the Authority's General Fund; sources from which the loan will be repaid; and such other terms as the Authority and Gotion, Inc. believe to be mutually beneficial and appropriate, provided that such terms are consistent with the requirements of applicable law.

Recommendation

Staff recommends approval of the related Resolution.

Background

On September 8, 2023, Governor JB Pritzker, alongside statewide and Kankakee County officials, came together to unveil a pivotal development for Illinois: the upcoming \$2 billion Gotion lithium battery plant in Manteno. This occasion is the culmination of extensive groundwork undertaken by Governor Pritzker's administration to bolster Illinois's global reputation in the electric vehicle (EV) sector, establish compelling incentives tailored to the burgeoning clean energy industry, and present the state as the ideal destination for business expansion and growth. With its anticipated production commencement in 2024, the Gotion plant will serve as a critical contributor to Illinois's progress towards a sustainable future.

Governor Pritzker articulated his strategic vision, emphasizing, "In collaboration with the business community and the General Assembly, our journey to position Illinois as a hub for electric vehicle and clean energy companies worldwide commenced two years ago. By crafting the right incentives, investing in cutting-edge infrastructure, nurturing a world-class workforce, and fostering a thriving clean energy ecosystem, we have redefined Illinois as an appealing destination for global manufacturers. Today marks another pivotal stride forward, as we proudly welcome Gotion to Illinois, reaffirming our readiness to compete on the international stage."

The Gotion lithium battery plant's emergence in Manteno, Illinois, is a pivotal step in the state's commitment to clean energy and electric vehicle manufacturing. This project aligns seamlessly with national and state strategies for sustainable economic development in the rapidly growing electric vehicle market. The State of Illinois is poised to make a substantial investment in this endeavor, with incentives valued at \$536 million, and the proposed \$10 million loan from the Illinois Finance Authority serves as a pivotal component of this initiative.

The Gotion project is consistent with a national strategy and a strategy within Illinois to support the development of clean energy and electric vehicle-related manufacturing facilities. In this sense, the Gotion project is distinguishable from the Foxconn project in Mount Pleasant and Racine County, Wisconsin, which involved a commitment of over \$4 billion in state and local tax incentives to support the development of an LCD factory with a planned investment of over \$10 billion creating over 13,000 manufacturing jobs. As developed, the project has produced only a small fraction of the investment and jobs originally estimated. Foxconn failed, in part, because Foxconn intended to construct a facility in a developed and competitive market of LCD manufacturing and, as competitive forces impacted Foxconn, Foxconn significantly reduced the scale of the project. The Gotion project, by contrast, is part of a wider national and State strategy in an emerging market of electric vehicle-related manufacturing.

The State is making a significant investment in the Gotion project, with total incentives valued at \$536 million. A loan agreement of \$10 million with the Authority would be less than two percent of this total incentive amount. The State incentives include (i) a \$125 million direct grant through the authority provided to the State in the Invest in Illinois Act, as memorialized by the Grant Agreement between the State, through its Department of Commerce and Economic Opportunity (DCEO), and Gotion (the "Grant Agreement") (a redacted copy of which is attached hereto as Attachment A) and (ii) \$213 million in tax benefits from the Reimagining Energy and Vehicles (REV) in Illinois Act, as memorialized by the REV Tax Credit Agreement between the State, through DCEO, and Gotion (the "REV Agreement") (a redacted copy of which is attached hereto as Attachment B). Through the Grant Agreement and the REV Agreement, Gotion has committed to certain investment and job creation obligations.

To: Members of the Illinois Finance Authority

From: Chris Meister, Executive Director

Date: September 12, 2023

Re: Resolution approving changes to credit criteria and approving fee schedule for certain types of bonds

Request

Staff is requesting approval of a Resolution to effectuate (i) the rescission of dated credit policies on the books and records of the Authority and (ii) revisions to the Authority's fee schedule in connection with the issuance of Solid Waste Disposal Facilities Revenue Bonds and Industrial Development Revenue Bonds.

Impact of Credit Policy Recission

If approved, the rescission of the dated credit policies will streamline Authority operations and improve transparency, in addition to making the Authority more competitive relative to its peers in the development finance industry. These changes represent the Authority's commitment to adapt to evolving market dynamics and improve financial sustainability, and signify a necessary step in making the Authority's conduit financing practice more efficient. Importantly, such rescission obviates concerns with respect to ongoing and future federal funding opportunities with respect to Climate Bank activities.

It is important to emphasize, however, that this action will not increase the risk profile of the Authority's conduit debt. The Authority's Bond Handbook establishes required minimum denominations for non-investment grade transactions unless certain exceptions are met and has robust protections for public offerings and limited public offerings regarding the issuance of conduit debt. Additionally, Investor letters are standard for all direct-purchases and specific private placements. Moreover, the Authority's nonprofit affiliate, C-PACE Open Market Initiative, promulgates a maximum combined loan-to-value ratio and minimum combined debt-service coverage ratio in its underwriting guidelines for the Illinois Finance Authority PACE Program. For direct loans, participation loans and relending activities, Authority staff recently implemented a comprehensive credit policy (which is subject to ongoing evaluation) that eliminates the need for the credit policies approved in December 2009. Finally, the State Revolving Fund ("SRF") programs with the Illinois Environmental Protection Agency and programs with the Office of the Illinois State Fire Marshal ("OSFM") have rules promulgated by the Joint Committee on Administrative Rules ("JCAR").

Impact of Fee Schedule Updates

The revised fee schedule for the issuance of Solid Waste Disposal Facilities Revenue Bonds and Industrial Development Revenue Bonds is essential to ensure the Authority's commercial viability, particularly with respect to eligible publicly traded and privately held, for-profit borrowers.

Recommendation

Staff recommends approval of the related Resolution.