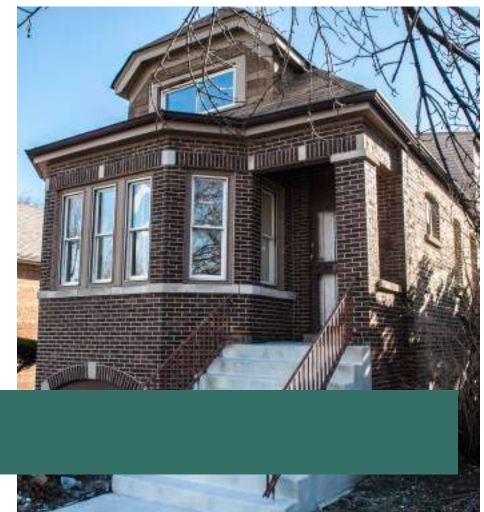
Annual Performance and Credit Review

and its Affiliate, Community Initiatives Inc. (CII)

For the Fiscal Year 10/1/2016 - 9/30/2017





Report to Investors · FY 2017

The Annual Performance and Credit Review Committee was established by investors and board members to prepare an annual report on the state of CIC's principal business for current and new investors.

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TO: CIC INVESTORS

This Performance and Credit Review reports on the lending activities and programs of Community Investment Corporation and its affiliate, Community Initiatives Inc., for FY 2017. The achievements of CIC and CII are made possible by many investors, who, over the years have made CIC the Chicago area's leader in rehabilitation and preservation of affordable rental housing. Here are some of the highlights of FY 2017 that are more fully described in the report:

Lending Programs

- CIC provided $70 million in loans and grants (an all-time high) to acquire, rehab, and preserve 1,886 units of affordable rental housing and 37 commercial units throughout the Chicago area.
- Loans and grants were provided in 25 Chicago communities and 7 suburbs, 99% of which were affordable to households at or below 80% of area median income (AMI), and 69% of which were affordable to households at or below 50% AMI.
- Of this total, CIC approved 95 loans for $60.4 million for 1,761 units under the Multifamily Note Purchase Agreement.
- CIC approved $1.6 million to finance energy and water conserving retrofits in buildings with 308 units. CIC revised the lending model for Energy Savers, making it more permanent and more fully integrated into the CIC Multifamily platform.
- Continuing to experience strong demand for the 1-4 Unit Rental Redevelopment Loan Program, CIC approved $8.5 million in 21 loans for 140 rental units, a 33% increase over FY 2016. CIC extended the program by two years and secured new investor commitments to expand the pool to $38 million.
- There were $922,000 in multifamily loan losses on an overall investor portfolio of $188 million (0.51%, the lowest level of losses in four years). All losses were absorbed by the Multifamily Investor Loan Loss Reserve, and no losses were passed through to participating investors.
- Investors in the Multifamily Loan Program received a return of 3%, 1.9% above the rolling average for three-year Treasury Notes.
- With an overall investor portfolio of $12.2 million, there were no losses or delinquencies in the 1-4 Unit Loan Program.
- Investors in the 1-4 Unit Loan Program received an annual return of 5.125%.

Community Development Activities

- Property Management Training provided training for 1,227 participants, bringing the total of people trained since 1998 to more than 18,200.
- 49 buildings with 1,252 units were recovered under the Troubled Buildings Initiative, bringing its total to 582 buildings with 11,926 units since 2003.
- CII acquired and transferred 136 buildings with 332 units to new owners to rehab and preserve.
- CIC and CII continued to support redevelopment efforts in West Woodlawn and East Chatham and throughout Chicago's Micro Market Recovery Program areas.
- The Preservation Compact continued to lead policy and programmatic efforts to preserve affordable rental housing in Cook County and worked directly with public agencies to preserve affordability in 4 publicly assisted properties with 714 units.

Financial Condition and Performance of CIC and CII

- CIC and CII achieved Net Operating Surpluses of $900,000 and $356,000, respectively. Consolidated Unrestricted Net Assets increased by $1.4 million to $29.2 million. Overall Net Assets increased $4.8 million to a total of $35.7 million.

CIC is committed to using your investments effectively and efficiently. Thank you for your continued support.

Jack Markowski
President/CEO

Mitch Feiger
Board Chair

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Board and Committee Members

FY 2018

CIC BOARD MEMBERS

Mitchell Feiger, President, CEO, MB Financial Inc.* (Board Chair)

Karen Case, CIBC*
David Dykstra, Wintrust Financial Corporation*
Timothy Hadro, Byline Bank
Scott Ferris, BMO Harris
R. Patricia Kelly, TCF Bank
Saul Klibanow, Klibanow Strategic Consulting LLC
John Markowski, Community Investment Corporation*
Robert Marjan, Urban Partnership Bank
Patrick Nash*
Frank Pettaway, The Northern Trust Corporation
Andrew Salk, First Eagle Bank
Thurman Smith, PNC Community Development Bank*
Daniel Watts, Forest Park National Bank & Trust
** Executive Committee Member*

CII BOARD MEMBERS (Affiliate Company)

Saul Klibanow, Klibanow Strategic Consulting LLC
Robert Marjan, Urban Partnership Bank
John Markowski, Community Investment Corporation
Frank Pettaway, The Northern Trust Corporation
William Pileggi, Pileggi Consultation and Arbitration
Reinhard Schneider
Thurman Smith, PNC Community Development Bank

CIC MULTIFAMILY LOAN COMMITTEE

Brooke Cullen, Wintrust Commercial Real Estate
Teresa Gutierrez Rubio, Associated Bank
Chas Hall, Leaders Bank (Chair)
Ken Kreisel, First Bank of Highland Park
David Patchin, Fifth Third Bank
James Turner, CIBC
Katherine VanBerschot, The Northern Trust Corporation
Rogelio Lopez, PNC Bank
James West, BMO Harris Bank
Bryan Esenberg, Chicago Department Planning and Development **
Stephen Gladden, Illinois Housing Development Authority**
*** Non-voting Member*

CIC 1-4 UNIT LOAN COMMITTEE

Lynn Backofen, First Saving Bank of Hegewisch
Brooke Cullen, Wintrust Commercial Real Estate
Faruk Daudbasic, First Eagle Bank
Makai Edwards, PNC Bank
Loretta Minor, BMO Harris Bank
Katherine VanBerschot, The Northern Trust Corporation
Terry Young, Urban Partnership Bank (Chair)

SECTION A: Overview and Organization

Overview and Organization

- The Committee's twenty-fifth annual Performance and Credit Review confirms that CIC knows its core business well and remains centrally focused on stabilizing the Chicago area's low and moderate income communities by financing the acquisition and rehabilitation of affordable multifamily housing stock safely and soundly while generating a fair return to investors.

- Community Investment Corporation (CIC) is a not-for-profit 501(c)(3) corporation. Incorporated in 1973, CIC's mission is to be a leading force in affordable housing and neighborhood revitalization through innovative financing, programs, and policy leadership. In pursuit of this mission, CIC has become the leading lender for the acquisition, rehabilitation, and preservation of affordable rental housing throughout the Chicago metropolitan area. Since 1984, CIC has provided $1.3 billion to finance the acquisition and rehabilitation of more than 59,000 units of rental housing in the Chicago area. CIC provides an important and reliable source of capital for redeveloping and maintaining affordable rental housing, primarily located in low and moderate-income communities. CIC exercises sound management and fiscal prudence in its operations.

- CIC is managed as a self-sustaining Social Enterprise, generating income through its operations to cover its costs and generating an operating surplus while maintaining a focus on its mission. The surplus gives CIC the means to initiate new and expand existing programs. Since 1996, CIC has been certified by the U.S Department of the Treasury as a Community Development Financial Institution (CDFI). In FY 2017, CIC was awarded a $686,500 Financial Assistance grant from the CDFI Fund to aid CIC in its mission.

- CIC is a pooled risk lender. CIC's success is the direct result of the long-term support of the Chicago area institutions investing in CIC's programs. CIC has been able to maintain the strong support of its investors for the past 33 years by providing a fair return for their investment and not passing through any losses since 2001. Currently, 37 investors have committed $257,700,000 to purchase notes through September 15, 2020 under the multifamily loan program, and 14 investors have committed $38 million to purchase notes through September 30, 2020 under the 1-4 unit loan program. (See Exhibit 1 and page 22.)

- CIC's affiliate company, Community Initiatives Inc. (CII), is also a not-for-profit 501(c)(3) corporation, incorporated in 2002. The corporation was created to more directly engage in real estate activities to further the mission of CIC. CII's governing board is elected by the CIC Board. Specifically, CII preserves troubled and deteriorating low and moderate income residential buildings through:

  1. Code enforcement, receivership, and repair of troubled multifamily properties;
  2. Re-assembly and return to the rental housing stock of buildings that have been lost through failed and/ or fraudulent condominium conversions;
  3. Purchase of delinquent mortgages and distressed properties and sale to capable new owners; and
  4. Coordinated redevelopment efforts in targeted areas.

- CIC is well equipped to manage its programs. CIC's top executives each have many years of experience in real estate lending and community development. Throughout the company, most senior and mid-level managers have been with CIC for many years. (See Exhibit 2.)

- CIC's Loan Committees are composed solely of senior lending officers of investing institutions. As provided in their Note Purchase Agreements, members of the Multifamily Loan Committee represent at least 51% of total committed dollars for the Multifamily Note Purchase Agreement, and all investors in the 1-4 Unit Loan Program are eligible for membership on the 1-4 Unit Loan Committee.

- CIC's Board is composed of leading banking professionals and community leaders in the Chicago area. The Board provides oversight for CIC through regular meetings, an Executive Committee, and other committees. The Board has established the following committees:
    1. **Executive Committee** - Reviews policy issues between board meetings, provides counsel to staff, reviews company goals, sets officer compensation levels and incentive awards, functions as nominating committee, reviews the annual budget with CIC staff, recommends action to full Board, reviews the annual audit report with the company's auditors (Crowe Horwath), and presents the audit report to the full Board.

    2. **Performance and Credit Review Committee** – Works with staff to prepare the annual report to the Board and investors on the company's performance, policies, loan portfolio, credit procedures, and controls.

    3. **Finance Committee** – Guides the organization's strategic management of capital resources, including FHLBC advances, PRIs, and investor commitments, to maximize benefits for CIC, and reviews the organization's financial performance.

    4. **Committee on the Opportunity Investment Fund** – Works with staff to develop a program and funding mechanism to assist developers to create affordable rental housing in strong markets.

    5. **Personnel Committee** – Works with staff to review and update CIC's personnel policies and Employee Handbook.

    6. **Portfolio Oversight Committee** – Functions as the Board's liaison to the Multifamily Loan Committee. Works with the Multifamily Loan Committee and CIC staff to implement the risk rating system and provides advice and counsel to CIC staff regarding timely, streamlined reports on loan delinquencies and loan losses; watch list procedures and policies; establishment of appropriate loan loss reserves; and other matters regarding management and reporting on the loan portfolio.

Strategic Plan

- CIC's current strategic plan, developed in FY 2016, identifies organizational priorities and strategies for work during 2017-2020. The plan identifies four main goals, focusing on lending, mission impact, public policy, and strategic financial management.

Mission Statement

- In the course of developing the Strategic Plan, CIC adopted a revised mission statement to reflect the full scope of its work:

CIC's mission is to be a leading force in affordable housing and neighborhood revitalization through innovative financing, programs, and policy leadership.

Strategic Goals for 2017-2020

The Strategic Plan identified the following goals to guide CIC through 2020:

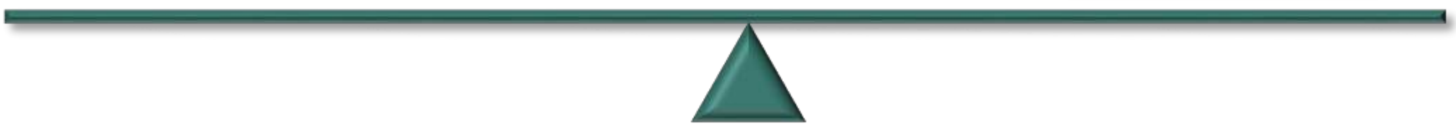
- Offer a full range of lending products and financing tools that meet the needs of the multifamily affordable housing market and generate income to support CIC operations.

- Increase CIC's mission impact in low and moderate income communities through targeted neighborhood interventions and services that are complementary to CIC's lending business.

- Lead the policy conversation and development of financing tools to expand the availability and quality of affordable rental housing.

- Advance CIC's financial management systems and capabilities to provide CIC with a greater ability to strategically use its resources and capital and enhance its self-sustaining business model.

CIC/CII Balances Two Objectives



Improve the condition of and increase the supply of rental units that are affordable to low and moderate income households.

- Provide fairly priced financing for acquisition and rehab of rental housing.
- Provide professional construction and property management training/assistance.
- Encourage the use of the most cost effective labor and materials.
- Provide financing for energy efficient upgrades to reduce utility costs.
- Make efficient use of private and public funds.

Generate fair return to investors.

- Provide acceptable yield on every loan.
- Minimize investors' risk of loss through:
  - Loan being approved by investor Loan Committee.
  - CIC Loss Reserve Policies.
  - Large investor base to share risk.
  - Portfolio concentration limits.
- Remit payments monthly.
- Service loans in-house.
- Capitalize on experience. Multifamily rehab lending has been CIC's core business since 1984.

Impact Investing

CIC effectively serves small business people, low and moderate income communities, and low income individuals while providing a consistent return to its investors.

Who does CIC lend to?

CIC borrowers are:

- Small business people
  - 65% property ownership/management is their full time job
  - Have an average of 4 employees; but 55% have 0-2 employees
- 39% of CIC borrowers are minorities and 24% are women-owned businesses
- Experienced: 68% in business more than 10 years
- Own from 1 to >100 properties (median: 4)
- 38% got their first loan at CIC
- 56% have attended Property Management Training
- 49% received Energy Savers assessment (36% ES Loans)
- 61% have a Multifamily loan with an institution besides CIC

Where does CIC lend?

- Primarily in Chicago's south and west side communities. (90% of loans are in Chicago)
- 86% of loans in majority African American Census tracts (5% Hispanic, 3% White, 6% no majority)
- In Census tracts with an average median income of $42,290 (about 55% of Area Median Income)
- Areas of high unemployment and low Labor Market Engagement (Average: 17 on a scale of 1-100)

Who lives in the buildings CIC finances?

- 86% of tenants living in CIC-financed buildings are African American
- 37% of households living in CIC-financed buildings have at least one child
- 92% of households living in CIC-financed buildings have an income of less than $40,000 per year. 34% have an income of less than $20,000 per year
- Virtually all rents in CIC financed buildings are affordable to households at 80% of AMI, and nearly three-quarters of CIC financed units are affordable at 50% of AMI
- 35% of tenants in CIC-financed properties receive some form of rental assistance

Data are from a 2014 survey of CIC borrowers and their businesses; a 2016 analysis of the location of loans in CIC's multifamily portfolio; and a 2016 demographic survey of tenants living in a sample of buildings financed by CIC.

SECTION B: CIC Lending Programs

FY 2017 Lending Report

Overview

In FY 2017, CIC provided an all-time high of $70 million in financial assistance for 1,886 units of affordable rental housing and 37 commercial units throughout the Chicago area.

CIC invests to rehab and preserve affordable housing and to strengthen communities, especially Chicago's low income communities, many of which are still recovering from the repercussions of the real estate crash of 2008. At this point in time, from a residential real estate perspective, conditions have generally stabilized and are somewhat improving in low and moderate income neighborhoods. Occupancies are up, and there has been some increase in property values. Unfortunately, concerns about crime, schools, and lack of economic opportunity persist. CIC has been an important stabilizing force and is well positioned to continue to play an important role in rebuilding these communities.

In FY 2017, CIC approved and closed or had closings pending for:

- 95 loans for $60.4 million in the Multifamily Loan Program, including Flex loans, for a total of 1,761 total units, including 1,724 residential units and 37 commercial units.
- $1.6 million in Energy Savers financing for 308 housing units, including 5 Energy Savers second mortgages, 9 Energy Savers Flex loans, and 7 Regular Multifamily first mortgages that included energy retrofits.
- 21 loans for $8.5 million for 140 residential units under the 1-4 Unit Rental Redevelopment Program.
- Of these units, 99% of the units in the buildings were affordable at 80% of area median income, 69% of the units were affordable at 50% of area median income.

Financial Assistance FY2017		
	#	$ M
Multifamily Program NPA		
Regular 3 and 5yr Adj	74	45.5
Flex Loans	21	14.9
Total NPA Multifamily Program	95	60.4
Energy Savers Loans*		
"Stand Alone" 2nd Mortgages	5	.5
1-4 Program Loans NPA		
1st Mortgages	12	7.0
2nd Mortgages	9	1.5
Total NPA 1-4 Program	21	8.5
Initiatives Loans		
	1	<$.1
TOTAL LENDING	**122**	**69.5**
Grants		
TIF Vacant Building Grants	2	.6
TOTAL LENDING AND GRANTS	**124**	**70**

** Total Energy Savers financing of $1.6 million. ($1.1 million included in MF first mortgages and Flex second mortgages.)*

FY 2017 Lending Report

- Most loans approved by CIC were located in low and moderate-income census tracts in the city and suburbs of Chicago. Included in the multifamily lending totals, however, CIC also approved $10.3 million in loans to preserve affordable housing in Albany Park, Lincoln Park, and Uptown.

- Of the 122 loans originated by CIC, 116 loans (95%) were made in 25 Chicago communities and 6 loans (5%) were in seven suburbs. (Loans under the 1-4 Program can include properties located in more than one municipality.)

- CIC approved one Initiatives Loan for $12,000 for a building with seven units and approved two grants for $579,173 for buildings with 17 residential units and four commercial units under the TIF Multifamily Vacant Building Rehab Program.

FY 2017 Lending Report

FY 2017 CIC Transactions by Program and Community

PROGRAMS	Multifamily Program											Single Family Program			TOTAL		
	M/F REGULAR		M/F FLEX		ENERGY SAVERS (2nd mortgage loans)		M/F Grants and INITIATIVES		MF SUBTOTAL			1-4 UNIT PROGRAM			LOANS		UNITS
CHICAGO COMMUNITY	#	$	#	$	#	$	#	$	#	$	units	#	$	units	#	$	#
ALBANY PARK			1	2,835,000					1	2,835,000	18				1	2,835,000	18
AUBURN-GRESHAM	3	1,340,000	4	1,707,500					7	3,047,500	113				7	3,047,500	113
AUSTIN	8	5,833,000	1	28,900					9	5,861,900	157				9	5,861,900	157
AVALON PARK	0	550,459							0	550,459	20				0	550,459	20
BEVERLY	3	1,326,000							3	1,326,000	26				3	1,326,000	26
CALUMET HEIGHTS	2	940,000	1	8,132					3	948,132	30				3	948,132	30
CHATHAM	9	2,024,900	1	688,184					10	2,713,084	84				10	2,713,084	84
CHICAGO LAWN	1	525,000							1	525,000	18				1	525,000	18
EAST GARFIELD PARK	1	260,000					1	79,173	2	339,173	7				2	339,173	7
EAST SIDE									-	-	-	0.1	73,000	1	0	73,000	1
ENGLEWOOD	4	5,614,450			1	368,500			5	5,982,950	149				5	5,982,950	149
GRAND BOULEVARD	2	3,200,000	1	100,000			1	12,000	4	3,312,000	52				4	3,312,000	52
GREATER GRAND CROSSING	5	3,239,964	1	261,000					6	3,500,964	123				6	3,500,964	123
HUMBOLDT PARK	3	1,290,000					1	500,000	4	1,790,000	26				4	1,790,000	26
LINCOLN PARK			1	5,000,000					1	5,000,000	71				1	5,000,000	71
NORTH LAWNDALE	4	2,872,000	1	192,000	1	47,500			6	3,111,500	77	1	471,000	9	7	3,582,500	86
ROSELAND	3	1,435,000	1	30,500					4	1,465,500	39				4	1,465,500	39
SOUTH CHICAGO	3	900,000	1	30,900					4	930,900	22	4	1,275,000	20	8	2,205,900	42
SOUTH DEERING									-	-	-	1.9	657,000	9	2	657,000	9
SOUTH SHORE	9	8,218,303	3	774,114	1	55,140			13	9,047,557	280	2	648,000	13	15	9,695,557	293
UPTOWN			1	2,500,000					1	2,500,000	258				1	2,500,000	258
WASHINGTON HEIGHTS	1	699,000	0	7,172					1	706,172	40				1	706,172	40
WEST ENGLEWOOD	2	414,000							2	414,000	13	4	1,625,000	25	6	2,039,000	38
WEST GARFIELD PARK	1	300,000							1	300,000	6	3	940,000	18	4	1,240,000	24
WOODLAWN	7	3,070,250	2	738,000	2	60,770			11	3,869,020	77	2	700,000	10	13	4,569,020	87
CHICAGO SUBTOTALS	**72**	**44,052,325**	**20**	**14,901,402**	**5**	**531,910**	**3**	**591,173**	**100**	**60,076,810**	**1,706** [b]	**18**	**6,389,000**	**105**	**118**	**66,465,810**	**1,811** [b]
SUBURBAN COMMUNITY																	-
BLUE ISLAND			1	30,000					1	30,000	12				1	30,000	12
CALUMET CITY											-	0.3	257,143	4	0.3	257,143	4
DOLTON											-	1.6	614,286	8	1.6	614,286	8
HAZELCREST											-	1.0	1,150,000	21	1	1,150,000	21
JOLIET	1	1,173,000							1	1,173,000	57				1	1,173,000	57
MAYWOOD	1	255,000							1	255,000	8				1	255,000	8
SOUTH HOLLAND											-	0.1	128,571	2	0.1	128,571	2
SUBURBAN SUBTOTALS	**2**	**1,428,000**	**1**	**30,000**	**-**	**-**	**-**	**-**	**3**	**1,458,000**	**77**	**3**	**2,150,000**	**35**	**6**	**3,608,000**	**112**
PROGRAM TOTALS	**74**	**45,480,325**	**21**	**14,931,402** [a]	**5**	**531,910** [c]	**3**	**591,173** [d]	**103**	**61,534,810**	**1,783** [b]	**21**	**8,539,000**	**140**	**124**	**70,073,810**	**1,923** [b]

[a] Includes 9 Energy Flex Loans for $569,902

[b] Includes 37 commercial units

[c] Includes 15 unduplicated units in MF total

[d] Includes 7 unduplicated units in MF total

Multifamily Loan Program

- In FY 2017, CIC approved 95 loans for a total of $60.4 million under the Multifamily Loan Program. These loans financed the acquisition and rehab of 1,724 residential and 37 commercial units.

- All loans carried a 10-year term and most loans had a 25-year amortization. All but one of the loans were approved using CIC's three-year Adjustable Rate Loan.

- Of the total Multifamily loans, 74 loans for $45.5 million were Regular First Mortgage Loans.

- 21 loans for $14.9 million were approved under the Multifamily Flex Fund Program. Created in 1998, the Flex Fund enables CIC to use a portion of the Multifamily Loan Program for "Innovative and Complex" lending in order to reach unmet neighborhood needs or stimulate an increased level of rehab activity in neighborhoods needing an intervention stimulus. In order to achieve this goal, Loan-to-Value (LTV) and Debt Service Coverage Ratio (DSCR) underwriting ratios can be less stringent than standard Multifamily loans (See Exhibit 3 for a more detailed description of the Flex Fund Program.)

- Beginning in April 2017, CIC began using Flex Fund Second mortgages to fund Energy Savers loans in order to more fully integrate Energy Savers lending into the CIC Multifamily platform. In FY 2017, CIC also used the Flex Fund Program to provide $10.3 million in short-term acquisition financing for three buildings in strong Chicago markets to assist the buyers in preserving affordable rental housing. All of these loans are expected to be refinanced within the next two years. CIC does not anticipate selling these loans to the Multifamily Note Purchase investors.

- For several years, CIC's lending activity has confronted the economic challenges of Chicago's low and moderate income communities – areas that have endured high unemployment rates and depressed real estate values. The overall portfolio and the credit process, however, remain strong; losses and delinquencies are within manageable limits for a portfolio of CIC's age and composition. (See Exhibits 6 through 10.)

- In total, at the close of FY 2017, CIC's Multifamily Loan Program portfolio stands at $188 million of notes sold to investors.

Multifamily Loan Program
Portfolio Performance and Credit Process

Delinquencies

- Delinquencies on Multifamily Loan Program loans in the portfolio of multifamily notes sold to investors were $6.4 million (3.4%) as of 9/30/2017 versus $4.2 million (2.2%) as of 9/30/2016. (See table to the right and Exhibits 6 and 7.) Of this total, non-performing loans (90 days past due plus foreclosures and workouts) are $3.9 million (2.1% of notes sold). These totals have risen in the last year but are still generally within CIC targets of 5% for delinquencies and 2% for non-performing loans, and low by historic standards. (See Exhibit 6.)
- REO properties decreased from $1.5 million in FY 2016 to $900,000 in FY 2017 as long delayed foreclosures continued to move through the court system.
- CIC projects that any further losses resulting from the sale of REO or delinquent loans will be fully covered by CIC's Multifamily Investor Loan Loss Reserve.
- As of 9/30/17, only 1 Flex loan for $88,800 was delinquent. It is a non-performing loan.

Summary of Delinquent Multifamily NPA Loan Program Loans Sold in Notes:

Delinquent Loans	9/30/2016		9/30/2017	
	$M	%	$M	%
30 days	2.2	1.1	2.4	1.3
60 days	0.2	0.1	0.2	0.1
Sub Total	2.4	1.2	2.6	1.4
90+ Days	0.4	0.2	2.5	1.3
Foreclosure	1.0	0.5	1.0	0.5
Workout	0.4	0.2	0.4	0.2
Sub Total	1.8	0.9	3.9	2.1
Total	**4.2**	**2.2**	**6.5**	**3.4**
REO Properties	1.5	0.8	0.8	0.4
Total REO plus Delinquency	**5.7**	**2.9**	**7.3**	**3.9**

Risk Ratings

- In FY 2014, CIC strengthened its Risk Rating System to better evaluate the condition of loans in the multifamily portfolio. Each year, each loan is assigned a risk rating. The ratings are included in the FY Annual Multifamily NPA Report for the period ending September 30 and in the Mid-Year NPA Report ending March 31, which are sent to all investors. The following chart lists the risk ratings at the close of FY 2017.
- On September 30, 2017, loans representing 87% of the overall portfolio of Multifamily Notes Sold to Investors are rated as "Pass" or "Acceptable." This is an increase from 85% on September 30, 2016.

Rating	Balance		# of Loans	Percentage	Current
Pass	$	121,084,105	284	64%	99%
Acceptable	$	42,903,652	83	23%	98%
Special Mention	$	16,506,450	41	9%	76%
Substandard	$	2,379,581	5	1%	40%
Doubtful	$	3,599,301	9	2%	22%
Loss	$	1,634,397	5	1%	0%
Total	**$**	**188,107,485**	**427**	**100%**	

Multifamily Loan Program

Portfolio Performance and Credit Process

Losses

The Multifamily Loan Program Portfolio incurred $922,000 in loan losses in FY 2017 (0.5% of the $188 million portfolio balance at 9/30/2017). Investors participating in the current NPA and the Investor Loan Loss Reserve program were covered 100% for any principal loss on loans. CIC expects the reserve to be adequate to cover all projected losses in the multifamily portfolio and leave a balance in the reserve of $2.3 million in September 2018. (See Exhibits 8, 9, and 10.)

On Multifamily Loan Program loans not sold to investors (loans in construction), CIC absorbs any related losses as required by the NPA.

Multifamily Investor Loan Loss Reserve					
Beginning Balance	Charges	% Portfolio	Additions to Reserve	Ending Balance	Multifamily Portfolio Balance
$ 2,677,528	($916,320)*	0.5%	$ 1,207,630	$ 2,968,838	$ 188,107,485

**Charges do not include $6,000 in losses to investors who have chosen not to participate in the Multifamily Investor Loan Loss Reserve.*

Loan Loss Reserves

- Beginning with the 2010 Multifamily Note Purchase Agreement, CIC established a Multifamily Investor Loan Loss Reserve, from which CIC reimburses note holders for losses of principal on notes sold. The loan loss reserve account was initially funded with $1.2 million from CIC. In addition, from CIC's collection of the loan servicing fee, CIC deposits monthly the sum equal to one-half of one percent (.5%) from the .875% servicing fee into the Investor Loan Loss Account.
- In November 2013, the CIC Board and the investors agreed to amend the Note Purchase Agreement to increase the funding of the reserve for three years. The investors agreed to fund the reserve with an additional 50 basis points from their return and 25 more basis points from CIC corporate income. This additional payment began on November 1, 2013. The additional payments were to end on October 31, 2016 unless extended by the CIC Board of Directors. At its meeting of September 23, 2016, the CIC Board reduced the additional payments into the Investor Loan Loss Reserve to 5 bps from Note Purchasers and 2.5 bps from CIC. This change result will result in increased returns to Multifamily Note Purchasers. It puts the total contribution into the Loan Loss Reserve at 57.5 bps. (See Exhibits 10 and 11.)

Multifamily Loan Program
Portfolio Performance and Credit Process

The CIC Board and company management take the following steps to mitigate potential investor risk:

Loan Structure:
- Adhere to sound underwriting standards and credit process.
- Perform sensitivity analysis for maximum adjustments for all loans.
- Limit exposure to any single project to a maximum of $5 million.
- Personal recourse to borrower as a policy.
- Careful review and monitoring of the contractors and the construction progress.

Loan Committee:
- Loans are approved by the Multifamily Loan Committee, which is composed solely of senior representatives of investing institutions that are actively participating as Note Purchasers.
- The committee must represent at least 51% of the total committed dollars. (Current members of the Loan Committee are listed on page 4.) Loans of $300,000 or less are approved by CIC management and reported to the Loan Committee.

Shared Risk:
- Funded Investor Loan Loss Reserve pursuant to the Note Purchase Agreement - Investors and CIC fund the reserve monthly.
- Returns and risk on all loans shared proportionally based on investor participations.

Loan Servicing:
- Performed by CIC on all loans.
- Beginning in 2010, increased loan servicing staff in response to challenging economic conditions.
- Ongoing efforts to maintain close contact with borrowers.
- Employ early intervention and workouts where appropriate.
- Access other resources such as free energy assessments, utility rebates, and sources for grants.
- Annual inspections of all properties with additional inspections scheduled for problem loans.
- Annual financial reports for each property and current DSCR.

Credit Process Review:
- The Credit Process Review is performed periodically by a participating Note Purchaser. The most recent review was performed by The Private Bank (now known as CIBC). The review was based on CIC's portfolio as of 9/30/2014, and the report is dated March 2015. The results of the exam were "satisfactory." The next Review will be performed in 2018.

Portfolio Reviews:
- All delinquent loans and loans in construction are reviewed monthly by Loan Committee.
- Monthly review of status of delinquent loans and REO by CIC Senior Management.
- Quarterly Status review of the Portfolio Watch List by the Loan Committee and semi-annual review by the Portfolio Oversight Committee.
- Board Portfolio Oversight Committee provides advice and counsel and acts as Board liaison to the Loan Committee.

Diversification:
- Limit total exposure to any single borrower to $7.5 million ($10 million with board approval).
- In the areas of highest concentration, risk is spread across multiple borrowers and properties.
- Loans have been made for projects in 59 Chicago communities and in 55 different surrounding communities in the metropolitan area.

Multifamily Loan Program
Return to Multifamily Note Purchasers

CIC's program is designed to balance its dual goals of pursuing its affordable housing mission while providing a fair return to investors and minimizing investor loss exposure.

- The net weighted yield of the notes sold under the Multifamily NPA to investors in FY 2017 was 3.0%, up from 2.8% in FY 2016. This increase is partially attributable to the reduction in the additional payments into the Multifamily Investor Loan Loss Reserve beginning in November 2016.

- Since most loans in the portfolio are three year adjustable mortgages based on the three year Treasury rate plus 2.5 or 3.5 points at the time of adjustment, CIC compares the investor net weighted yield to a three year rolling average of the three year Treasury rate. When Treasury rates decrease, the margin between CIC's net yield and the Rolling Average 3-year Treasury increases. When the Treasury rates increase, the margin between CIC's net yield and the Rolling Average 3-year Treasury decreases.

- For the past 28 years, the investors' net weighted return has averaged 5.8%, and for the last five years the portfolio margin between the 3 year Treasury's 3 year rolling average has averaged 2%. (See Exhibit 11.)

- Pursuant to the amended Multifamily Note Purchase Agreement and Board actions, CIC passes through to investors all funds (principal and interest) received, less 0.925%, (0.375% to CIC for loan servicing and 0.55% for deposit into the Investor Loan Loss Reserve). In addition, CIC deposits another 0.025% into the reserve from CIC corporate income.

- Until 2010, multifamily loans issued by CIC adjusted every 3-5 years at 2.5% over 3-year Treasuries. In 2010, CIC changed the adjustment on new loans to a spread of 3.5% over Treasuries. In response to the historically low interest rates, CIC also instituted a floor on all approved loans, currently 4.75% for a 3-year ARM. All loans approved since 3/15/2015 have ten year terms. The Limited Rehab Loans carry a floor of 4.25%.

- The Loan Committee sets the initial rate on CIC loans. This rate adjusts every three or five years after the month of commitment. The loans are eligible for sale to investors after construction has been completed and the building is operating at a 1.1 DSCR. Typically, this is six to twelve months after the Loan Committee approves a loan. Therefore, the first adjustment on a three-year adjustable rate loan usually occurs 24 to 30 months after the sale of the loan to the investors.

Energy Savers

- Since 2008, CIC has partnered with Elevate Energy to offer the Energy Savers program, to help multifamily building owners reduce their operating costs by conserving energy and cutting their utility bills. Energy Savers has become the most successful program of its kind in the country.

- Building owners achieve significant reductions in their energy use and operating expenses as a result of the energy retrofit improvements to their properties. On average, owners achieve savings of 25-30% in their energy use and cost. Energy Savers retrofits have benefitted the environment by reducing greenhouse gas emissions, reducing electricity demand, and conserving water resources. Lower operating costs help keep rents affordable, while tenants experience enhanced comfort, health, and safety. Virtually all of the units in buildings retrofitted through Energy Savers loans have rents that are affordable to tenants with household incomes at or below 60% of the Area Median Income.

- To implement the Energy Savers Loan Fund, CIC has received Program Related Investments and grants from partners for more than $22.8 million which have been used as loan capital, loan loss reserves, grant capital, and marketing and operating funds. Partners include the MacArthur Foundation, the Bank of America Community Development Corporation, the Grand Victoria Foundation, the City of Chicago, and the Chicago Metropolitan Agency for Planning.

- At the beginning of FY 2017, CIC performed a strategic review of the Energy Savers program, examining borrower preferences, program funding sources, and market conditions. As a result of this review, CIC Board of Directors approved a new financing model to carry Energy Savers from its initial phase into a more permanent and sustainable program.

- Beginning in April 2017, CIC began to phase out the stand-alone Energy Savers Loan Fund and offer low cost energy retrofit financing through the existing Multifamily Loan Program, making energy efficiency a part of the standard product suite. To the extent that energy retrofit work exceeds standard underwriting guidelines, that portion of a loan is now treated as a second mortgage Flex loan.

Energy Savers Pilot Program Funding Sources	
	Amount
Energy Program Related Investments	
Bank of America	$8,000,000
MacArthur Foundation	$6,000,000
Energy Program Grants	
Bank of America	$500,000
City of Chicago	$1,750,000
Chicago Metropolitan Agency for Planning	$5,600,000
Grand Victoria Foundation	$1,000,000
Total	**$22,850,000**

Energy Savers

Loan Production

- In FY 2017, CIC approved $1.6 million in Energy Savers financing for 308 affordable housing units. This included 14 second mortgage loans and $500,000 in energy- and water-efficiency retrofit financing from regular multifamily first mortgages.

- Since the inception of Energy Savers, CIC has approved 213 loans for $21.5 million and 34 grants for $2.8 million, representing 10,200 units. On average, CIC provides $3,000 in financing per unit to fund energy and water conserving retrofits. Of the total $21.5 million in energy retrofit loans, $4.6 million has been financed under first mortgages in CIC's Multifamily Loan Program.

- In FY 2015, CIC began to originate "On-Bill" Energy Loans. These loans are repaid as part of the monthly utility bill and not secured by mortgages, thus providing energy retrofit financing for properties that are unable to take secured subordinate debt. Payments on these loans are guaranteed by the utility companies. When the program was active in FY 2015 and FY 2016, CIC approved and closed six On-Bill loans for $427,000 in energy upgrades for 150 residential units. In mid FY2016, the On-Bill program was suspended due to a change in the administration of the Illinois program. CIC has actively pursued an agreement with the utilities' new administrator but as of the close of FY 2017, the on-bill program remains offline. CIC is working to reestablish the program in the near future.

1-4 Unit Lending Program

- In FY 2014, CIC launched the 1-4 Unit Rental Redevelopment Loan Program with $26 million in lending capital from 11 financial institutions and the MacArthur Foundation.

- The initial three-year program was intended to provide long-term financing for investor owned 1-4 unit buildings in neighborhoods that have suffered from foreclosure and abandonment. 1-4 unit buildings constitute nearly half of Chicago's rental housing stock.

- A grant from the Illinois Attorney General provided $2 million for Loan Loss Reserves for the 1-4 unit lending program. CIC used $750,000 of this grant to initially seed the Investor Loan Loss Reserves and is using the remainder to provide reserves for the expansion into acquisitions/construction lending.

- In FY 2017, building on the program's initial success and recognizing an ongoing need in the marketplace, CIC made two significant changes. First, CIC secured investor approvals and commitments to extend the program through September 2020 and expand the loan pool to $38 million.

- Second, CIC expanded the program to include acquisition and rehab financing, in addition to permanent take-out financing. By providing acquisition/rehab financing, CIC is enabling developers to further leverage their resources and is in a better position to ensure high quality rehabs. As with CIC's existing multifamily program, this product expansion has transformed the 1-4 unit lending program into a one-stop financing stop for small rental properties in Chicago. CIC received a $686,500 grant from the CDFI Fund to support expansion into acquisition/rehab lending.

- The Loan Committee for the 1-4 Program is comprised solely of participating Note Purchasers.

1-4 Unit Loan Program		
	Commitments	**Percent**
First Mortgage Purchasers		
BMO Harris	8,000,000	21%
First Eagle Bank	1,000,000	3%
First Savings Bank of Hegewisch	2,000,000	5%
Lake Forest Bank and Trust	750,000	2%
Leaders Bank	1,500,000	4%
North Shore Community Bank**	750,000	2%
Northbrook Bank**	1,500,000	4%
Northern Trust	10,000,000	26%
Urban Partnership Bank	3,000,000	8%
Village Bank and Trust Company**	750,000	2%
Hinsdale Bank and Trust Company**	750,000	2%
TCF Commercial Real Estate	8,000,000	21%
Total	**38,000,000**	**100%**
Second Mortgage Purchasers		
PNC Community Development	5,000,000	50%
Community Investment	5,000,000	50%
Total	**10,000,000**	**100%**

*CIC is using a $5 million PRI from MacArthur Foundation to fund its participation in the 1-4 unit note sales

** Wintrust banks

1-4 Unit Lending Program

Loans, Delinquencies and Losses, Return to Investors

- In FY 2017, CIC continued to experience strong demand under the 1-4 Unit Program. CIC approved 21 loans for $8.5 million for buildings with 140 residential units, a 33% increase over FY 2016.
- Over three years of the 1-4 Unit Loan Program, CIC has approved 47 loans for $19.1 million for buildings with 325 residential units.
- Two Note Sales for this program, in the total amount of $9.5 million, occurred in FY 2017.
- At the end of FY 2017, the 1-4 unit loan portfolio was $12.2 million (10.1 million in the first mortgage tier and $2.1 million in the second mortgage tier).
- All loans are current, and there have been no delinquencies or losses in the program.
- Loan Loss Reserves: Per the 1-4 Unit Loan Program Note Purchase Agreement, Loan Loss Reserves were initially funded in the amount of $250,000 for the first mortgage tier and $500,000 for the second mortgage tier. Additional contributions of 0.5% are made monthly to the Loan Loss Reserves for each tier from CIC's servicing fee of 0.875%. At year end of FY 2017, the first mortgage reserve stands at $329,486 and the second mortgage reserve stands at $511,591.
- In FY 2017, investors in the 1-4 Unit Loan Program received an annual return of 5.125%.

		FY 2015		**FY 2016**		**FY 2017**	
		1st Mortgage	**2nd Mortgage**	**1st Mortgage**	**2nd Mortgage**	**1st Mortgage**	**2nd Mortgage**
Approvals	**$**	$ 3,046,000	$ 540,000	$ 5,551,000	$ 1,454,000	$ 7,050,000	$ 1,489,000
	#	5	5	8	8	12	9
	units	73		112		140	
Closings	**$**	$ 1,101,000	$ 201,000	$ 6,920,000	$ 1,649,000	$ 6,501,000	$ 1,428,000
	#	3	3	9	9	11	8
	units	30		146		130	
	Notes Sold	$ -	$ -	$ 3,012,496	$ 534,473	$ 7,793,766	$ 1,697,491
	Outstanding Notes Sold	-	-	$ 2,933,353	$ 521,414	$ 10,109,981	$ 2,079,144
	Delinquencies	-	-		None	None	None
	Losses	-	-		None	None	None
	Reserves	$ 250,000	$ 500,000	$ 262,405	$ 502,203	$ 329,486	$ 511,591
	Return to Investors	NA	NA	5.125%	5.125%	5.125%	5.125%

SECTION C: Community Development Activities

Property Management Training

- In July of 1998, CIC launched its Property Management Training program (PMT), an initiative designed to provide information and resources to owners and managers of multifamily rental properties. Since its inception, the program's centerpiece has been its four-evening course entitled The Basics of Residential Property Management. PMT also offers sessions that concentrate on a single topic, such as boiler repair, landscaping, rodent control, marketing, and tenant screening. In the last several years, CIC has given special attention to helping landlords succeed in the midst of a very difficult economy. PMT sessions are offered at a variety of locations throughout the metropolitan area, including meeting facilities of investor banks. Since 1998, PMT has provided training to more than 18,200 owners and managers. Through this program, CIC is constantly expanding and strengthening the pool of qualified apartment building owners/investors.

- In FY 2017, CIC provided 45 training sessions attended by 1,227 current or prospective managers/owners of affordable housing.

- In FY2017, supported by a $150,000 grant from Wells Fargo's Diverse Community Capital Program, CIC initiated a three-year effort to go beyond training in property management to help minority owned developers and landlords grow and strengthen their businesses. CIC contracted with Sunshine Enterprises to offer the Community Business Academy, a ten-week course in small business development. The first cohort of 12 people went through the course in FY 2017. The second cohort began in October 2017.

Contributors to Property Management Training in FY 2017	
Associated Bank	5,000
Bank of America	15,000
BMO Harris NA	10,000
Byline Bank	3,000
CIBC	12,000
Fifth Third	7,000
First Eagle	2,000
First Midwest	5,000
Forest Park Bank	1,000
JPMorgan Chase	10,000
MB Financial	7,000
MUFG Union Bank	25,000
TCF Foundation	10,000
PNC Bank	15,000
The Northern Trust	25,000
U.S. Bank	7,500
Urban Partnership	2,000
Wells Fargo Bank	16,667
Wintrust Financial Group	15,000
City of Chicago	34,500

Community Initiatives Inc. (CII)

Troubled Buildings Initiative (TBI)

- In FY 2003, CIC initiated the Troubled Buildings Initiative (TBI), which is run under its affiliate company, Community Initiatives, Inc. (CII). The purpose of the program is to use code enforcement to improve physical conditions and property management in buildings and prevent abandonment and demolition. Troubled buildings are referred to CII from a variety of sources, including community groups, the Police Department, and the Departments of Buildings, Planning and Development, and Law. CII and the city departments make Housing Court more effective in getting owners to rehab or sell to someone who will fix these buildings.

- As of September 30, 2017, CII is the court appointed receiver on 48 buildings with 431 units. Buildings placed in the program are the properties most in need of repair and present the most problems to their communities. Through the program, TBI has taken action on 910 buildings with 15,628 housing units, and 582 buildings with 11,926 units have been recovered.

- In FY 2017, the Troubled Buildings Initiative was recognized for its innovative and effective efforts with the Larson Housing Policy Leadership Award from the Urban Land Institute Terwilliger Center for Housing.

The following chart briefly shows the scope and status of buildings in the TBI program:

Status	**FY 2017**	**2003 to 2017**
1. Buildings Recovered	49	582
Units	1,252	11,926
2. Buildings Demolished	3	72
Units	22	902
3. Buildings Addressed by the Program	* 50	910
Units	* 650	15,628

* New buildings and units added to program in FY 2017

Community Initiatives Inc. (CII)

Distressed Condominiums

- Since 2007, CII has worked with lenders, developers, and government agencies to address the plight of distressed, often fraudulent, condominium conversions. Having identified over 250 such buildings in Chicago, CII was instrumental in creating the Illinois Distressed Condominium Act, which increases court and governmental authority to de-convert failed condominium buildings into multifamily rental housing. Due in large part to CII's leadership, the peak of condominium fraud has passed, but CII continues to work with the City of Chicago to acquire, stabilize, and transfer all individual condominium units in targeted buildings to single owner/developers to de-convert the buildings back to viable multifamily rental buildings.

- In FY 2017, CII acquired two distressed condo units, filed deconversion orders on six buildings with 23 units, and sold/transferred four re-assembled buildings with 21 units. Since 2009, CII has acquired 299 condo units, filed deconversion orders on 100 buildings with 947 units, and sold/transferred a total of 77 buildings with 688 units for conversion back to rental housing.

Multifamily Acquisitions and Dispositions

- In 2003, CII began acquiring multifamily buildings and mortgages to expedite the transfer of troubled multifamily housing to new owners who rehab and provide good management for the buildings. In FY 2007, the MacArthur Foundation provided a $2 million Program Related Investment (PRI) to support this effort.

- In FY 2017, 12 properties with 157 units were acquired and transferred to capable new owners. All expenditures were recovered, and the fees generated support the program. Since 2003, 235 properties with 4,034 affordable multifamily apartment units have been acquired and transferred to capable new owners and preserved.

1-4 Unit Acquisitions

- As a complement to CIC's 1-4 Unit Rental Redevelopment Loan Program, CIC obtained a $5 million grant from the JPMorgan Chase Foundation to further address conditions in 1-4 unit buildings. Under the Chicago Collaborative, CIC coordinated activities of Neighborhood Housing Services (NHS) and the Chicago Community Loan Fund (CCLF), who used their grant proceeds to provide loan capital for owner occupants and investors to redevelop distressed 1-4 unit buildings. CIC used its own portion of the grant to seed a fund to acquire distressed 1-4 unit properties in order to facilitate the assembly of buildings for CIC's 1-4 unit loan program.

- In FY 2017, CII acquired 121 1-4 unit buildings with 151 units and sold 120 buildings with 154 units to qualified developers to rehab and manage as rental properties or to rehab and sell to owner occupants. While the JP Morgan Chase grant period ended in FY 2017, 1-4 unit acquisition continues to be a significant component of CII's strategy and activities.

- Since beginning acquisition of 1-4 unit buildings in 2015, CII has acquired 298 buildings with 430 units and sold/transferred 239 buildings with 335 units for rehab and re-use.

Community Initiatives Inc. (CII)

CIC/CII Acquisition/Disposition Activity				
	FY 2017 Sold/Transferred to New Owners		Since Inception	
	Buildings	Units	Buildings	Units
Multifamily (2003-)	12	157	235	4,034
Condos (2009-)	4	21	77	688
1-4 Units (2005-)	120	154	239	335
Total	**136**	**332**	**551**	**5,057**

Renew Woodlawn

- Over the past two years, CII has used its 1-4 unit acquisitions program to support Renew Woodlawn, a homeownership program implemented jointly with Preservation of Affordable Housing (POAH), and Neighborhood Housing Services of Chicago (NHS).

- CIC's role has been to acquire single family and two-flats for rehab and sale to new homeowners. NHS coordinates overall marketing and sale to new homeowners.

- In the past 18 months, the Renew Woodlawn efforts have resulted in 28 sales to new homebuyers, most of whom are first-time homebuyers purchasing formerly vacant buildings in West Woodlawn.

- In support of Renew Woodlawn, CIC has acquired 27 properties, of which 21 have been sold to new homebuyers.

Community Initiatives Inc. (CII)

Target Areas

- Since 2011, in addition to addressing troubled buildings throughout Chicago, CIC and CII have attempted to achieve greater overall redevelopment impact by targeting activities in West Woodlawn and East Chatham.

<u>West Woodlawn</u>

- In West Woodlawn, CIC and CII have aggressively marketed and used CIC lending products; pursued code enforcement under the Troubled Buildings Initiative; used the Distressed Condominium Act to re-assemble multifamily buildings; acquired distressed properties for redevelopment; worked with Preservation of Affordable Housing (POAH) and Neighborhood Housing Services of Chicago (NHS) to develop and implement the Renew Woodlawn Homeownership Program; convened local residents, block clubs, building owners, developers, business, institutions and community organizations; and coordinated efforts by serving as Lead Agency for the City of Chicago's Micro Market Recovery Program.
- From 2011-2017, CIC and CII have invested $9.4 million in 123 properties with 1,391 units in West Woodlawn. This includes:
    - Multifamily loans for 24 buildings with 269 units
    - 5 Energy Savers loans
    - 4 1-4 Unit loans for buildings with 19 units
    - TBI interventions on 56 buildings with 939 units; 24 buildings with 176 units recovered
    - 9 distressed condos with 123 units re-assembled
    - 25 1-4 unit buildings acquired, including 16 for Renew Woodlawn.
- After providing financial resources and leadership for many years, CIC is now preparing to transition leadership of the community development efforts in West Woodlawn to local organizations, remaining as a resource for rehab loans, acquisitions, and troubled building interventions.

<u>East Chatham</u>

- CIC and CII have deployed a similar suite of products and services in East Chatham, with a particular focus on establishing a social infrastructure to encourage and support improvements. CIC and CII convened an organization of multifamily building owners to coordinate activities. Through these owners, CIC/CII worked with elected officials, residents, and neighborhood institutions to produce block beautification and community building events to boost the spirit and image of the neighborhood.
- From 2011-2017, CIC and CII have invested $8.6 million in 71 properties with 1,102 units in East Chatham, This includes:
    - Multifamily and Energy Savers loans on 16 buildings with 352 units
    - TBI interventions on 45 buildings with 681 units; 24 buildings with 440 units recovered
    - 1 distressed condo building re-assembled
    - Acquisitions and sales of 9 properties with 63 units.
- In 2016, public officials and business leaders committed to the redevelopment of Chatham under the leadership of the newly formed Greater Chatham Initiative (GCI). CIC and CII played a key role in developing revitalization strategies for GCI.
- Moving forward, CIC will continue to offer support, loan products, and services in Chatham, while transitioning leadership to the Greater Chatham Initiative.

Community Initiatives Inc. (CII)

Micro Market Recovery Program

- As CIC and CII began targeted activities in 2011, the City of Chicago embraced and expanded CIC's approach under the Micro Market Recovery Program (MMRP).
- Since 2012, CIC has served as the Lead Agency for two MMRP areas - - West Woodlawn and East Chatham - - as well as provided loan products, acquisitions, and troubled buildings interventions throughout all 13 designated MMRP areas.
- Under CII's leadership, 168 troubled multifamily buildings with a total of 2,615 units have been addressed through Troubled Buildings Initiative interventions.
- Since program inception, CIC has provided $28.3 million in loans for 56 multifamily buildings with 1,026 units in MMRP areas.
- Since 2012, CII has acquired 11 multifamily buildings with 131 units in MMRP areas, and transferred them to be rehabbed by new owners.
- Overall, a total of 80 multifamily buildings with 1,254 units have been reoccupied in MMRP areas since 2012.
- In addition to its multifamily work, since 2012, CII has acquired 41 distressed 1-4 unit buildings and transferred 29 of these buildings to new owners in MMRP areas.

MMRP Activity (2012 – 2017)		
		Total MMRP
Troubled Buildings Initiative*	Buildings	168
	Units	2,615
CIC Loans	Amount ($M)	$ 28.3
	Buildings	56
	Units	1,026
Reoccupied Buildings	Buildings	80
	Units	1,254
Multifamily Acquisitions/ Dispositions	Buildings	11
	Units	131
1-4 Unit Acquisitions/ Dispositions	Buildings	41/29
	Units	68/50

* Includes multifamily and condo buildings assigned to CII as receiver.

The Preservation Compact

In FY 2011, CIC became the coordinator of The Preservation Compact. Supported by grants from the MacArthur Foundation, The Energy Foundation, and the JP Morgan Chase Foundation, the Compact brings together the region's public, private and nonprofit leaders to promote policies and programs to preserve affordable rental housing in Cook County.

Through a Leadership Committee and working groups, the Preservation Compact has focused on the following:

- Expanding Energy Retrofits: Energy Savers, a Preservation Compact initiative, has resulted in a 25-30% reduction of energy use for retrofitted buildings. In 2017, the Compact helped to double utility commitments in low and moderate income neighborhoods.

- Coordinating Public Agencies: The Compact convenes an Interagency Council of city, county, state, and federal agencies to develop and pursue strategies to preserve publicly funded properties at risk of being lost from the affordable housing stock. In the past four years, Compact partners have helped preserve 21 assisted properties with 3,665 units. Affordable housing in four properties with 714 units under federal contracts was preserved in FY 2017.

- Creating affordability in strong markets: The Compact is developing a new $30 million Opportunity Investment Fund to create affordable rental units in strong markets. The Compact secured $3.1 million from the Capital Magnet Fund of the federal CDFI Fund, and $200,000 from the JP Morgan Chase Foundation to support pilot projects as it creates the Fund.

- Code relief: The City of Chicago Department of Buildings passed a new electrical code which included the Compact's recommendations, and announced new plumbing code relief based on recommendations developed by the Compact with developers, architects, and advocates. The changes to both codes will help reduce rehab costs for owners of rental property.

- Developing Preservation Strategies for 1-4 unit buildings: The Compact helped inform, develop, and launch CIC's $38 million 1-4 unit loan program in early 2014. The Compact also helped to secure the $5 million Chase Foundation grant that created the 1-4s Chicago Collaborative with partners NHS and CCLF, and resulted in $41 million of investment in 600 units of 1-4 housing.

- Property Taxes: In FY 2017, the Compact has mobilized efforts to combat unexpected and unwarranted increases in Class 9 property tax assessments that would otherwise result in dramatic increases to property tax bills for affordable multifamily properties.

- In FY 2017, the Compact and the Chicago Housing Authority (CHA) were awarded an Urban Land Institute Vision Award for their successful work to preserve Presbyterian Homes, 110 units of affordable senior housing in three buildings on Chicago's north side.

The Preservation Compact
A Rental Housing Strategy for Cook County

SECTION D: Financial Condition and Performance of CIC/CII

FINANCIAL CONDITION AND PERFORMANCE OF CIC AND CII

CIC continues to perform exceptionally well financially in providing services to Chicago's low and moderate income communities while meeting the costs of its programs through earned income, contracts, and grants. Operating revenue has consistently exceeded operating expenses, and Overall Net Assets have continued to grow. (See Exhibit 12.)

In FY 2017, income generated by program activities led to a consolidated net operating surplus of $1,256,000 ($900,000 for CIC and $356,000 for CII). This exceeded budgetary projections by $784,000.

For CIC, Total Operating Income exceeded budget by almost $800,000 in FY 2017. Because of strong loan volume, lending program fees exceeded budget by $314,000. Interest income exceeded budget by $470,000, largely attributable to a larger volume of CIC in-house loans. Loan servicing fees exceed budget by approximately $50,000.

For CII, net operating income totaled $356,000, about $200,000 more than budget. This was primarily due to $1,175,000 generated by acquisition/disposition activity, which was $275,000 more than budget.

	FY 2016 Actual (000)	FY 2017 Actual (000)	FY 2017 Budget (000)
CIC Income Statement			
Lending Program Fees	1,053	1,210	896
Interest Income	2,204	3,075	2,605
Loan Servicing	1,050	1,006	958
Contracts and Grants	2,602	2,623	2,661
Total Income	6,908	7,914	7,120
Personnel Expense	5,430	5,476	5,551
Other Operating Expense	1,217	1,539	1,253
Total Expenses	6,647	7,015	6,803
Total Net Operating Income	261	900	317
CII Income Statement			
Grant Income	1,365	1,312	1,300
Program Income	820	1,175	900
Total Income	2,184	2,487	2,230
(CIC Personnel) Consulting Expense	1,572	1,640	1,621
Other Operating Expense	383	491	455
Total Expenses	1,956	2,131	2,075
Total Net Operating Income	229	356	155
Consolidated Net Operating Income	**490**	**1,256**	**472**

Overall, in FY 2017, CIC's Consolidated Unrestricted Net Assets increased more than $1.4 million, to a total of more than $29.2 million.

Overall Consolidated Net Assets increased nearly $4.8 million to a total of $35.7 million. This includes $6.4 million in Restricted Net Assets, which are limited to specific uses such as the Opportunity Investment Fund, loan guarantees, and grants to CIC customers.

Net Assets	**09/30/16**	**Change FY2017**	**09/30/17**	**CIC**	**CII**
CIC Unrestricted	26,398,943	1,089,090	27,488,033	27,488,033	
CII Unrestricted	1,406,197	351,132	1,757,329		1,757,329
Total Unrestricted	**27,805,140**	**1,440,222**	**29,245,362**		
CIC Restricted	3,095,328	3,342,015	6,437,343	6,437,343	
Total Net Assets Consolidated	**30,900,468**	**4,782,237**	**35,682,705**	**33,925,376**	**1,757,329**

EXHIBITS

PARTICIPANTS IN THE CIC MULTIFAMILY NOTE PURCHASE AGREEMENT AS OF 9/30/2017

Exhibit 1

Purchasers	Commitment $	Commitment %
The Northern Trust Company	$34,000,000	13.2%
Bank of America	$30,000,000	11.6%
BMO Harris NA	$21,000,000	8.1%
Citibank	$20,000,000	7.8%
PNC Commnuity Development Company, LLC	$20,000,000	7.8%
Fifth Third Bank	$17,500,000	6.8%
CIBC Bank USA	$15,000,000	5.8%
First Midwest Bank	$13,000,000	5.0%
Associated Bank of Chicago	$10,000,000	3.9%
MB Fianancial Bank	$10,000,000	3.9%
First Bank of Highland Park	$6,100,000	2.4%
Byline Bank	$6,000,000	2.3%
North Shore Community Bank *	$5,000,000	1.9%
First Bank and Trust Compnay of Illinois	$4,800,000	1.9%
Huntington Bank (Formerly First Merit)	$4,000,000	1.6%
Leaders Bank	$4,000,000	1.6%
Northbrook Bank and Trust Company *	$4,000,000	1.6%
Inland Bank and Trust	$3,000,000	1.2%
Lake Forest Bank and Trust Company *	$3,000,000	1.2%
Bridgeview Bank	$2,000,000	0.8%
Community Bank of Oak Park River Forest	$2,000,000	0.8%
First American Bank	$2,000,000	0.8%
First Eagle Bank	$2,000,000	0.8%
First National Bank of Brookfield	$2,000,000	0.8%
Liberty Bank for Savings	$2,000,000	0.8%
Oxford Bank	$2,000,000	0.8%
Urban Partnership Bank	$2,000,000	0.8%
First Savings Bank of Hegewisch	$1,800,000	0.7%
Amalgamated Bank of Chicago	$1,500,000	0.6%
Barrington Bank and Trust *	$1,000,000	0.4%
Delaware Place Bank	$1,000,000	0.4%
Forest Park National Bank & Trust	$1,000,000	0.4%
Hinsdale Bank & Trust Company *	$1,000,000	0.4%
Hoyne Savings Bank	$1,000,000	0.4%
International Bank of Chicago	$1,000,000	0.4%
Old Plank Trail Community Bank *	$1,000,000	0.4%
Town Center Bank	$1,000,000	0.4%
Total	$257,700,000	100.0%

* Wintrust Banks

MANAGEMENT STRUCTURE

Exhibit 2

- **Community Investment Corporation and its affiliate Community Initiatives Inc.***
  - **Board of Directors**
    - Board Committees
      - Executive
      - Finance
      - Opportunity Investment Fund
      - Performance and Credit Review
      - Personnel
      - Portfolio Oversight
    - **President/CEO**
      John Markowski
      10 years with CIC
      39 years in Industry
      - **Director of Communications and External Affairs**
        Anne Cole
        1 year with CIC
        12 years in Industry
      - **Director of Community Initiatives, Inc.**
        Jonah Hess
        2 years with CIC
        13 years in Industry
        - Troubled Buildings Initiative
        - Distressed Condominiums
        - Acquisitions and Dispositions
        - Target Areas
      - **Treasurer/CFO**
        Thomas Hinterberger
        30 years with CIC
        41 years in Industry
        - Controller & CIO
          Giuseppe Papavero
          12 years with CIC
        - Supervisor of Loan Servicing
          Silvia Prado
          18 years with CIC
        - Office Manager and HR
          Monica Kirby
          28 years with CIC
        - Accounting
        - Investor & Management Reporting
      - **Senior Vice President**
        Jack Crane
        3 years with CIC
        36 years in Industry
        - Loan Originations
        - Construction Risk Manager
          Matthew Greene
          15 years with CIC
          33 years in Industry
        - Director of Asset Management
          Marie Doladee
          11 years with CIC
        - Dir. of Property Management Training
          Jessica Sivels
          1 year with CIC
          12 years in Industry
      - **Director of The Preservation Compact**
        Stacie Young
        7 years with CIC
        25 years in Industry
        - Policy Coordination to Preserve Affordable Rental Housing

**Community Initiatives Inc. (CII) is a 501(c)(3) Not for Profit Corporation and is an affiliate of Community Investment Corporation (CIC). CIC is the sole member of CII and CIC has sole authority to elect the Board of CII. CII does not have any direct employees. All staff are employees of CIC and are provided to CII on a consulting basis.*

MULTIFAMILY PROGRAM FLEX FUND

Exhibit 3

This fund was initiated in 1998 to reach unmet neighborhood needs or stimulate an increased level of rehab activity in neighborhoods needing an intervention stimulus. In order to achieve this goal, loan-to-value and debt service coverage ratios can be less stringent than standard Multifamily loans. Of the 234 Flex Fund Loans for $154 million originated under the program, 140 Flex Fund Loans have been sold to the Investors for $93 million of which $54 million has been fully repaid. There have been losses on 12 loans in the amount of $6.5 million. Two of these loans were not sold to the Investors and the losses were sustained by CIC. The $4.8 million in losses on the other ten loans was absorbed by the Investor Loan Loss Reserve. No losses have been experienced by the note purchasers participating in the investor loss reserve program under the Multifamily Flex Fund loan program.

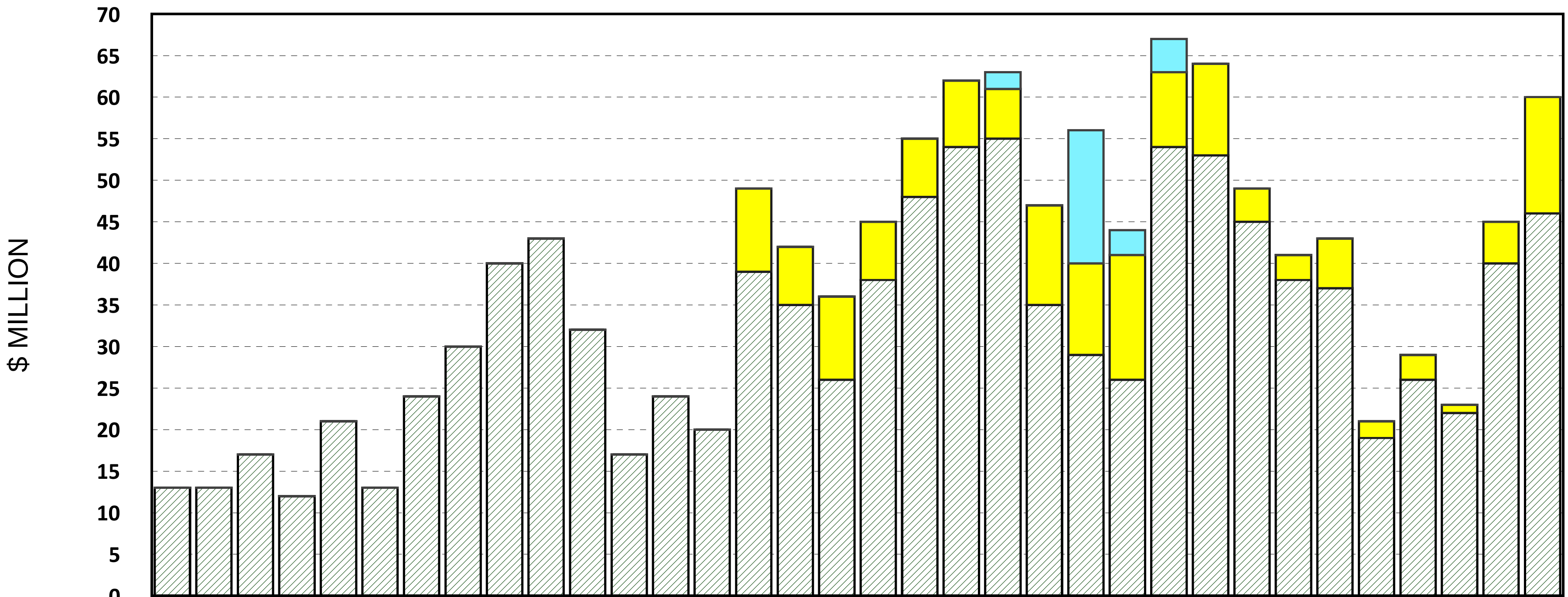
In FY 2017, in order to more fully integrae Energy Savers loans into CIC's multifamily lending paltform, CIC began to use the Flex Fund Program for Energy Savers second mortgage loans that are originated behind a CIC first mortgage. In FY 2017, 9 second mortage Energy Savers loans for $569,902 were categorized as Flex loans.

According to the current Multifamily Note Purchase Agreement, the aggregate principal amount of all Flex Fund loans may not exceed 20% of the total dollar commitments of the Multifamily Note Purchasers. Currently, the aggregate principal of all Flex Fund Loans is $46.3 million, or 18.0% of the $257.7 million in Purchaser commitments. In addition, total Flex Fund loans sold to the Purchasers is limited to 20% of total loans sold in any 12 month period. In the past 12 months there were 4 Flex Fund loans sold for $3.0 million, which is 9.8% of the total loans sold.

Approved Flex Loans	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total /Avg
Number of Loans (#)	15	16	17	18	16	15	14	16	12	17	13	10	6	4	9	4	4	1	6	21	234
Value of Loans ($MM)	10	7	10	7	7	8	6	12	11	15	11	11	4	1	6	5	4.0	1	5	15	154
Average LTV (%)	92	82	86	103	97	87	78	86	106	73	90	91	80	80	84	104	91	68	95	97	86
Average D/C Ratio	1.2	1.5	1.4	1.2	1.2	1.5	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.2	1.3	1.2	1.2	1.2	1.4	1.5	1.3
Flex Fund Notes as the Portion of EOY Balance of Loans Sold:																					
Portfolio ($MM)		7.9	14.1	15.6	12.9	18.4	16.4	13.2	17.9	22.1	18.6	32.4	37.2	40.4	38	38	38.9	34	32.1	31.1	
% of Total Portfolio		5.6	8.9	9.5	8.6	18.9	14.6	10.5	13.6	16.7	14.1	17.1	18.9	18.8	16.2	16	16	15	16.6	16.5	
Flex Fund Loans Sold in Previous 12 Months:																					
Value of Flex Loans $MM																					3
% of All Loans Sold																					9.8
Principal of All Flex Fund Loans as a Percentage of Purchaser Commitments:																					
Principal ($MM)																					46.3
Commitments ($MM)																					257.7
% of Commitments																					18

CIC MULTIFAMILY LENDING BY FISCAL YEAR OF APPROVAL

Exhibit 4

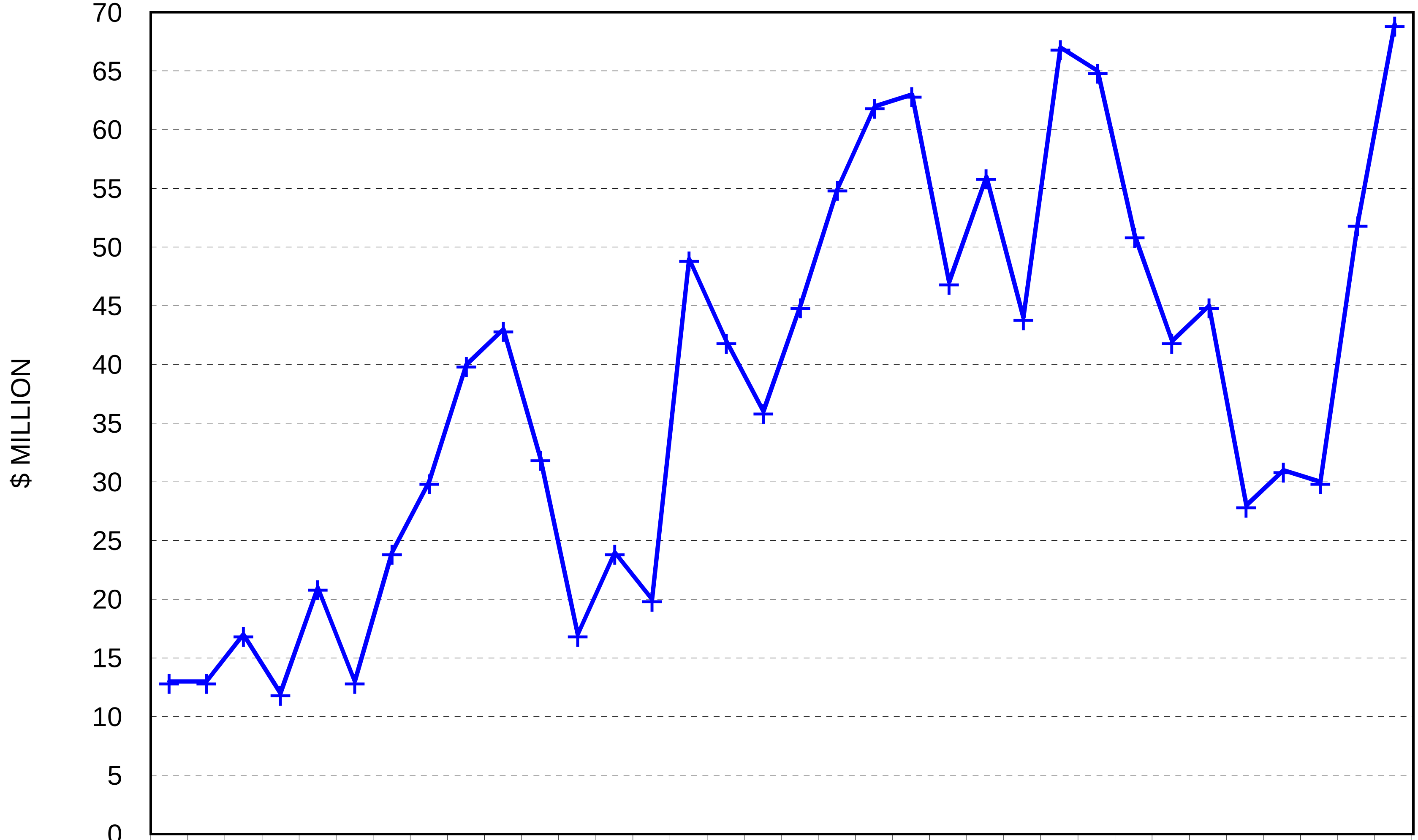


MLP Statistics:	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
CIC Loans Closed (#)	46	41	54	33	32	31	35	42	50	51	35	25	42	45	88	79	60	82	106	118	98	81	64	62	70	73	65	67	55	41	55	54	66	73
Loan Volume ($MM)	13	13	17	12	21	13	24	30	40	43	32	17	24	20	49	42	36	45	55	62	63	47	56	44	67	64	49	41	43	21	29	23	45	60
Avg per Loan ($TH)	283	317	315	364	656	419	686	714	800	843	914	680	571	444	557	532	600	549	519	525	643	580	878	710	971	878	754	567	673	456	521	428	667	696
Number Units	1101	1099	1255	941	1210	752	1317	1671	2335	2182	1936	970	1429	901	2288	2088	1497	1848	2064	2010	2825	1498	2313	1849	1969	1849	1565	1576	1474	725	977	731	2009	1693
Avg Loan per Unit ($TH)	12	12	13	13	17	18	18	18	17	19	17	18	17	22	22	20	24	24	27	31	20	31	24	24	35	35	31	24	25	28	30	32	23	35

Multifamily Reg. Prg. ($MM) Multifamily Flex Prg. ($MM) Fixed Rate Prg. ($MM)

TOTAL CIC LENDING BY FISCAL YEAR

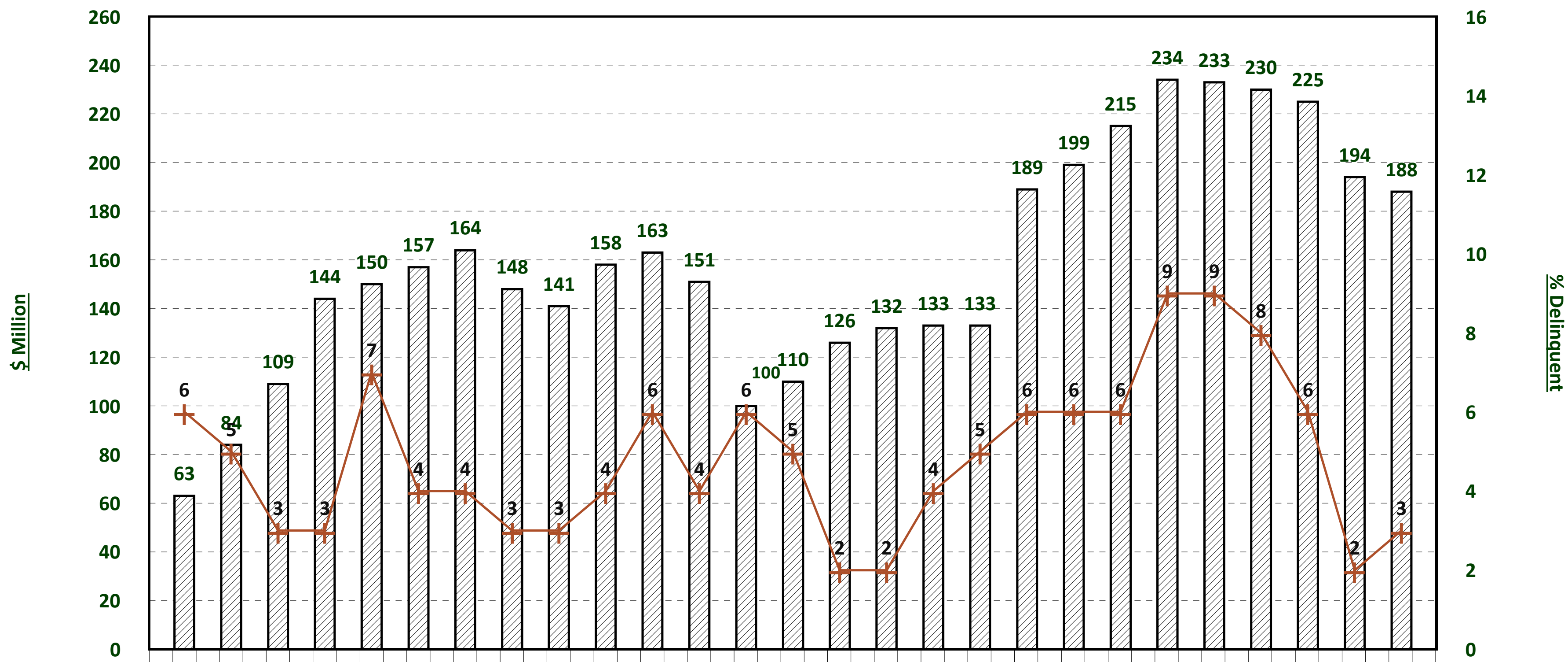
Exhibit 5



	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
Loan Volume ($MM)	13	13	17	12	21	13	24	30	40	43	32	17	24	20	49	42	36	45	55	62	63	47	56	44	67	65	51	42	45	28	31	30	52	69

MULTIFAMILY PROGRAM NOTES OUTSTANDING AND DELINQUENCY RATES

Exhibit 6



	91	92	93	94	95	96	97	98	99	00	01	02	03*	04	05	06	07	08	09	10	11	12	13	14	15	16	17
$MM Delinquent	4	4	3	5	5	3	6	2	2	3	9	5	5	5	3	3	5	7	5	11	8	16	15	19	14	4	6
$MM Workout	0	0	0	0	5	3	0	3	2	3	0	1	1	0	0	0	0	0	7	0	5	4	5	0	0	0	0
$MM REO Property	3	3	3	2	1	1	1	1	1	1	0	0	0	0	0	1	0	2	1	1	2	2	2	3	5	2	1

$ Portfolio Balance   % Delinquent

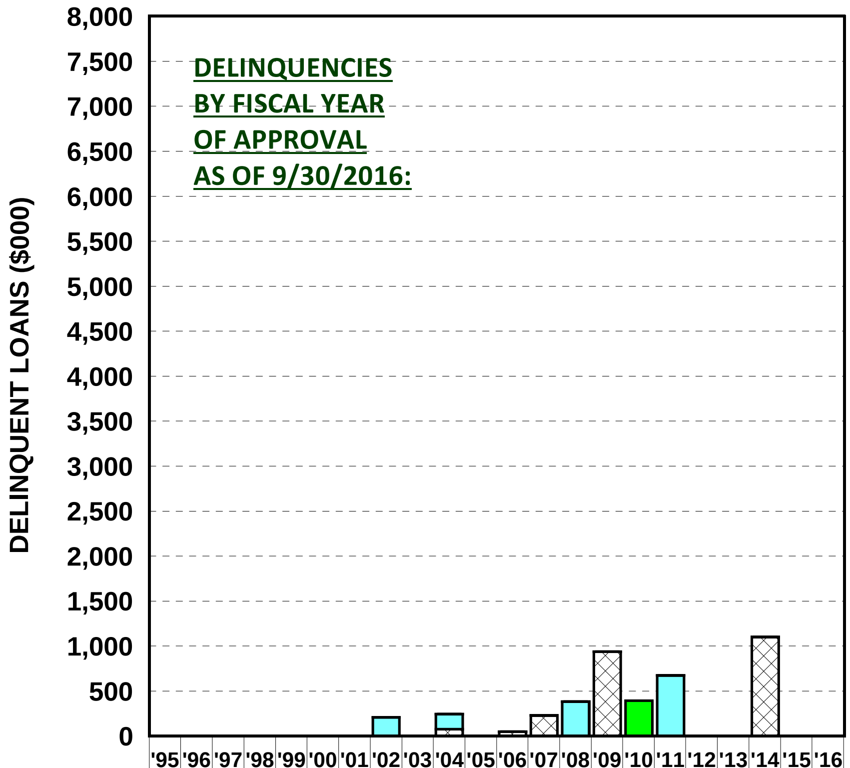
The red delinquency percentage line on the chart includes loans 30 days or more delinquent, loans in Foreclosure and in Workout. The delinquency percentage line does not include REO.

Note: There was one loan in Workout at 9/30/2016 (with a balance of $394,413); and there was one loan in Workout at 9/30/2017 (with a balance of $373,413).

*** 2003: In September of FY2003, CIC sold $49 million in portfolio mortgages to Regency Bank, allowing CIC to create the new Stimulus Fund from increased servicing income on the $49 million.**

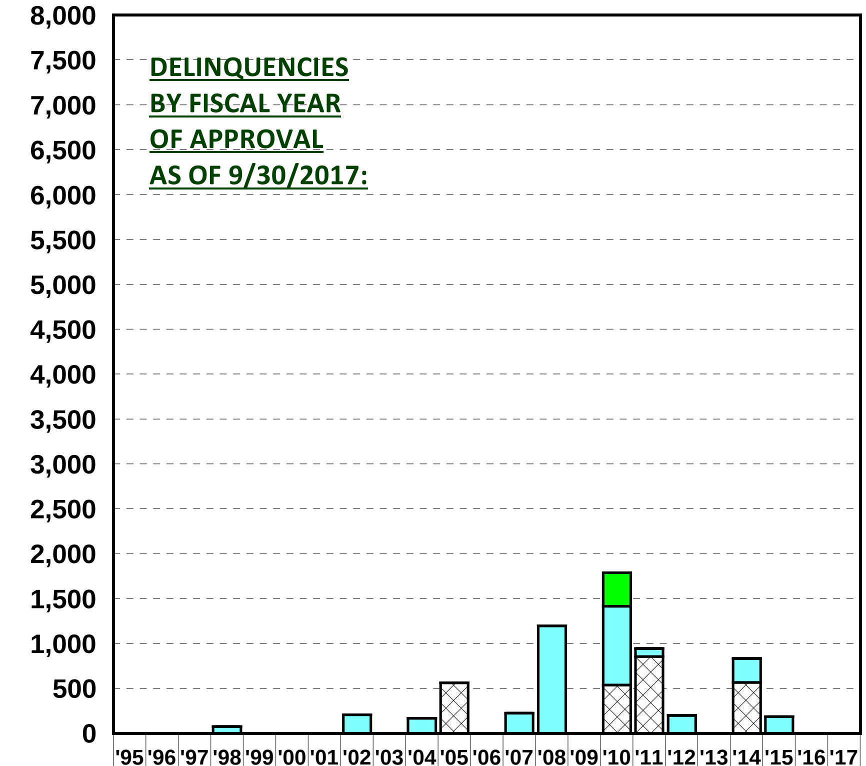
MULTIFAMILY PROGRAM DELINQUENCIES BY FISCAL YEAR OF APPROVAL

Exhibit 7



REO ($M)	0	0.6	0	0	0	0	0	0	0	0	0	0	0.6	0	0.3	0	0	0	0	0	0	0

30-60 days
90 or More Days and Foreclosures
Workout



REO ($M)	0	0.6	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0	0	0	0	0

30-60 days
90 or More Days and Foreclosures
Workout

	9/30/2016	9/30/2017
Total Loan Delinquencies (Including Foreclosures)	3.8 million	6.1 million
Total Workout	0.4 million	0.4 million
Total REO	1.5 million	0.8 million
Total REO plus Delinquencies	5.7 million	7.3 million

CIC LOAN UNDERWRITING POLICIES AND NOTE SALE REQUIREMENTS

Exhibit 8

UNDERWRITING:

Under policies established by the Board of Directors and the Multifamily and 1-4 Unit Loan Committees, CIC currently offers loans with the following terms:

				1-4 Unit Program	
PROGRAM	Regular	FLEX	Minimum Rehab	1st Mort	2nd Mort
Max. Loan to Value	80%-3 year ARM 70%-5 year ARM	Can be > 80% 3 year ARM	75% 3 year ARM	60% 10 Year Fixed	120%
Rate Adjustment (above Comp. Treasury)	350 basis pts	350 basis pts.	350 basis pts	N/A	
Max Loan to Cost	80%	95%	80%	80%	80%
Minimum Equity	20%	5%	20%	20%	20%
Minimum DSCR	1.25	1.15	1.25	1.50	1.25
Pre-Payment Penalty	No	No	3-2-1-0	No	No
Floors	Initial Rate	Initial Rate	Initial Rate	N/A	N/A

Initial Rates are set by the Loan Committee.

NOTE SALES

For loans to become eligible for sale to the Investors under the Multifamily Note Purchase Agreement, the following conditions must be met:

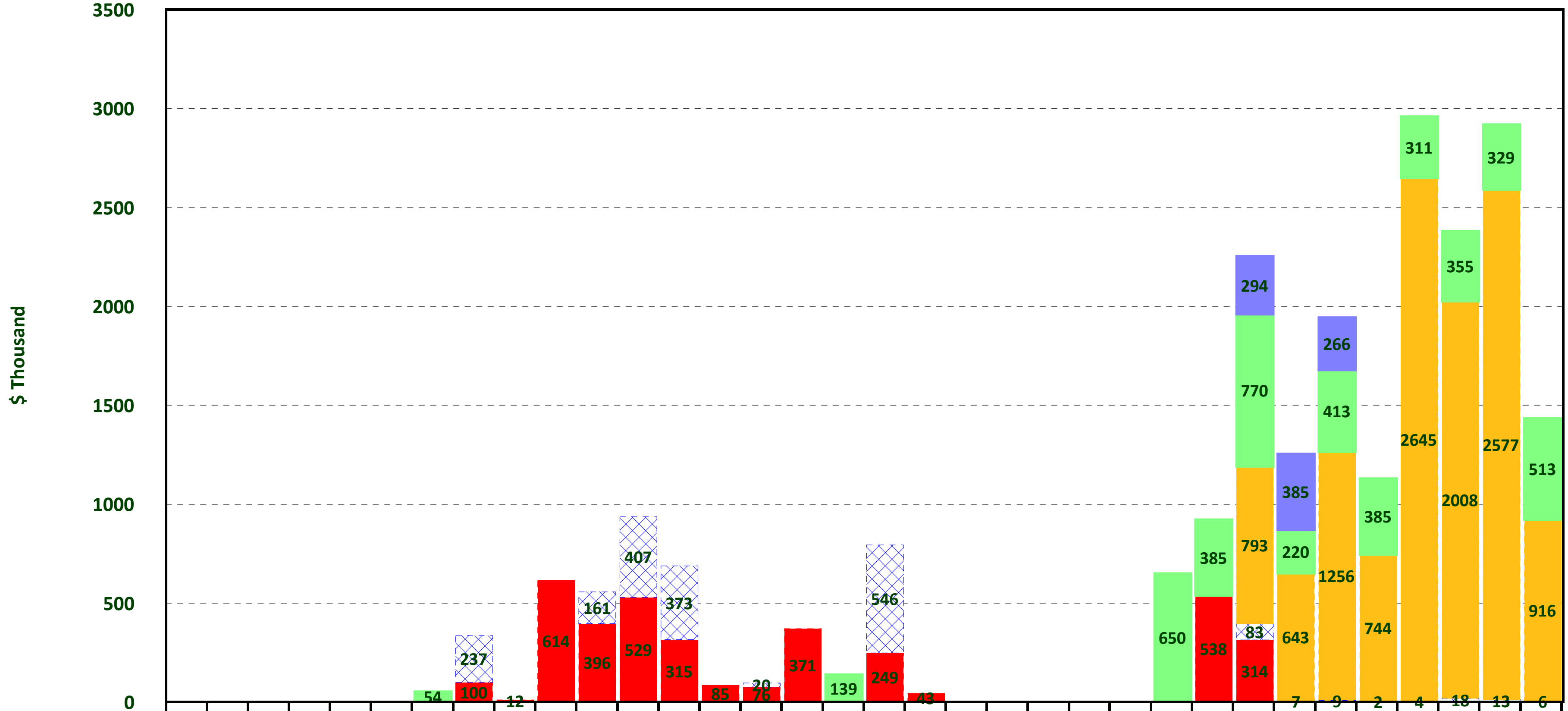
- Construction is complete;
- Loan is not in default; and
- Project has achieved a 1.1 debt service coverage ratio (DSCR).

For loans to become eligible for sale to the Investors under the Single Family Note Purchase Agreement, the following conditions must be met:

- Construction is complete
- Loan is not in default
- First Mortgage DSCR minimum 1.50
- Second Mortgage DSCR minimum 1.25

LOAN LOSSES ON CIC MULTIFAMILY LOANS ORIGINATED SINCE 1984

Exhibit 9



FISCAL YEAR	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
Losses by Year $TH							54	337	12	614	557	936	688	85	96	371	139	795	43						650	923	2255	1255	1944	1131	2960	2381	2919	1435
* Portfolio Balance $M	5	18	28	24	37	33	43	63	84	135	162	168	172	173	171	167	183	189	188	180	192	192	207	214	220	256	285	307	317	316	306	281	278	275
Loss as % of Portfolio								0.5	0.01	0.45	0.34	0.56	0.4	0.05	0.06	0.22	0.08	0.42	0.02						0.3	0.36	0.79	0.41	0.61	0.36	0.94	0.85	1.05	0.52

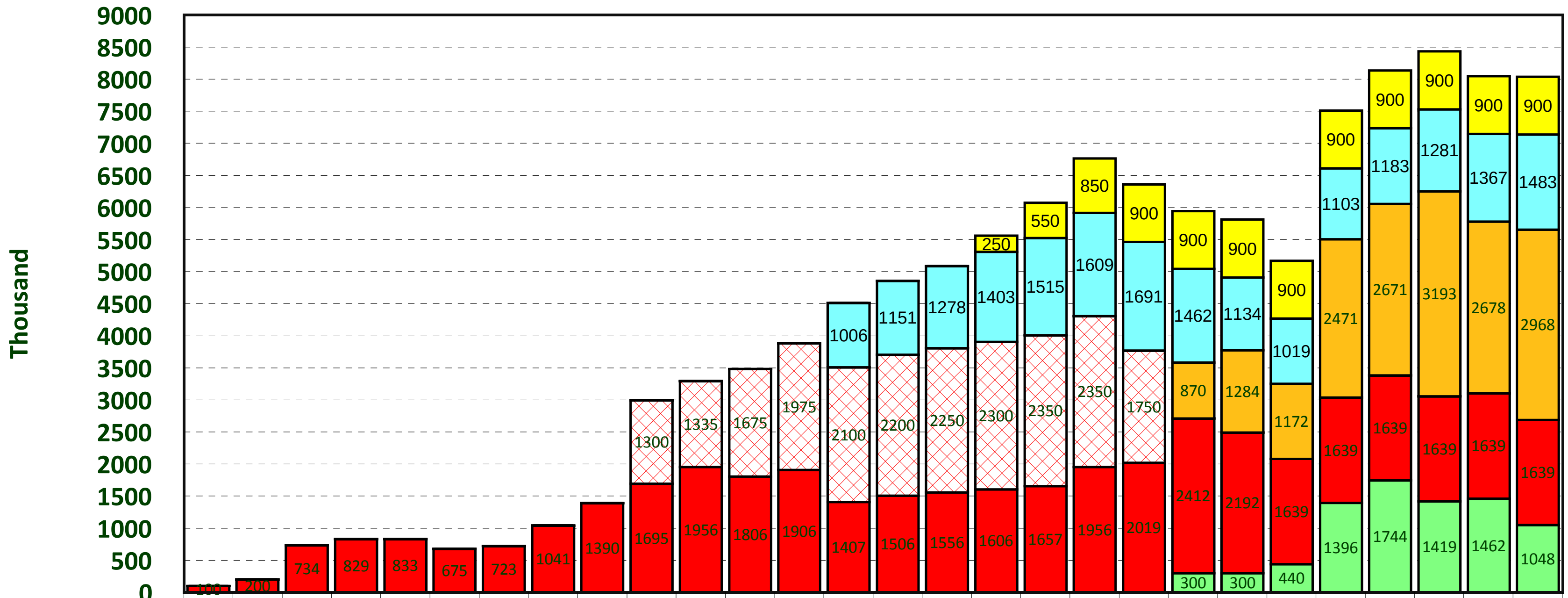
*** NOTE:** 1984 to 1992 Portfolio Balance $M = Notes Sold to Purchasers.

1993 to 2017 Portfolio Balance $M = Notes Sold to Purchasers plus In-House and Construction CIC loans, Regency Sale Loans and Fixed Rate Pool.

- Loss Sustained by the CIC Loss Reserve Under Previous NPA
- Loss Passed through to NPA Investors ($1.9 million Cumulative, or 0.19% of $976 million of Purchased Notes)
- Loss Sustained by the Multifamily Investor Loan Loss Reserve
- Loss on REO not sold in Notes - Charged to CIC Reserves
- Loss Sustained by Regency Reserve

MULTIFAMILY LOSS RESERVE BALANCES AS OF 9/30/2017

Exhibit 10



FISCAL YEAR	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
GBOP Balance ($MM)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	15	19	20	24	24	23	22	21	19	17	13
Regency Balance ($MM)	0	0	0	0	0	0	0	0	0	0	0	0	0	49	41	36	29	25	21	16	15	12	8	7	6	4	3	3
Noteholders' Balance ($MM)	43	63	84	109	144	150	157	164	148	141	158	163	151	100	110	126	132	132	133	189	199	215	234	233	230	225	194	188
* CIC In House Loans ($MM)	0	0	0	0	0	0	0	0	0	0	0	0	37	31	41	30	39	42	47	31	47	56	52	52	49	22	59	71

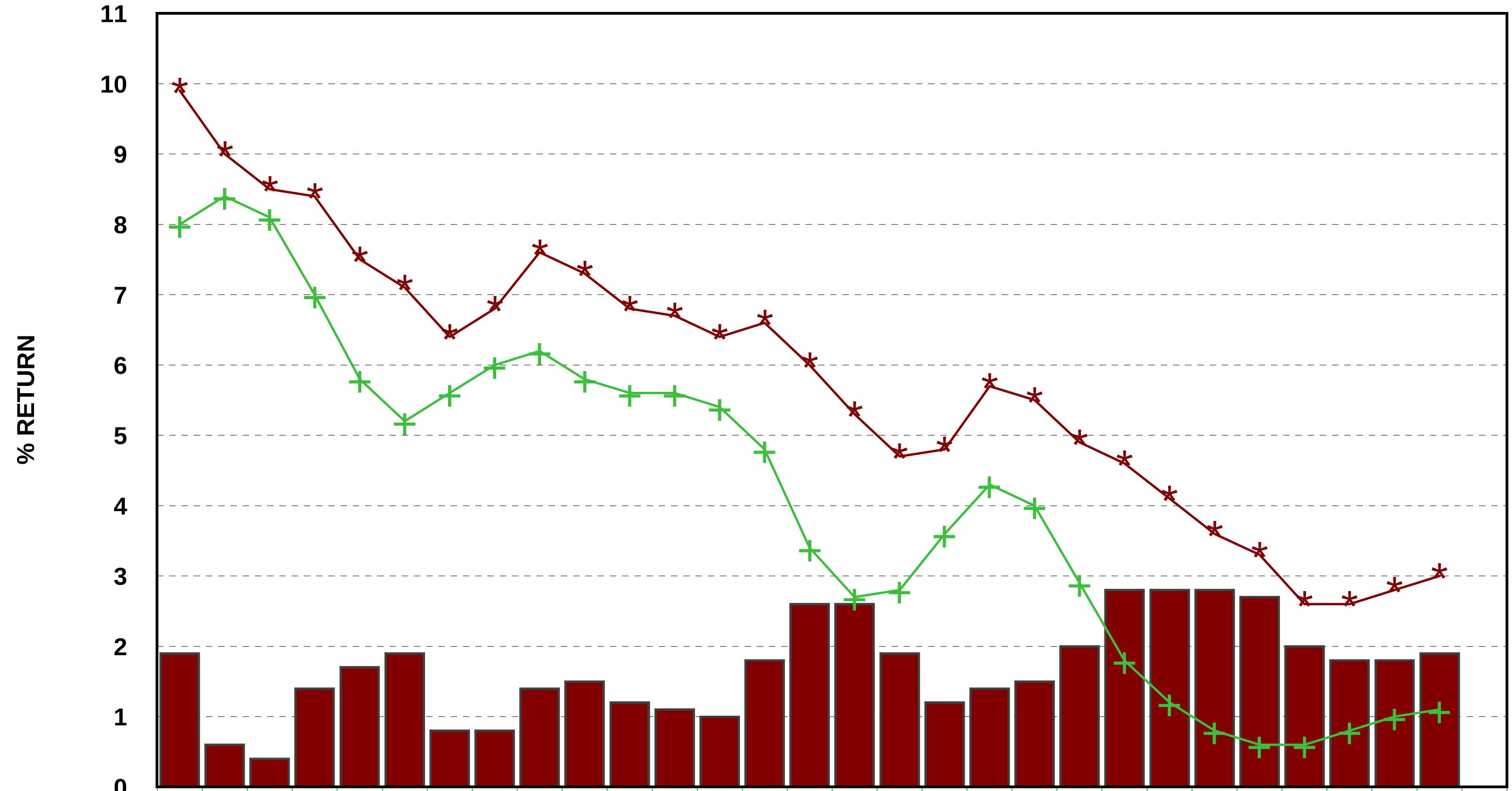
***CIC In House loans includes loans funded by CIC plus Multifamily loans in construction waiting to be sold to Noteholders.**

- CIC Contra Asset Account
- CIC Net Asset Loss Reserve
- CIC Flex Program Reserve
- Noteholders' Restricted Reserve
- Regency Loan Sale Loss Reserve
- General Board of Pensions - Fixed Rate Pool Loss Reserve

Note: In 2010, CIC combined the Regular and Flex loss reserves into the "CIC Net Asset Loss Reserve" and initiated the "Noteholders' Restricted Reserve".

MULTIFAMILY NPA INVESTOR NET RETURN ON NOTES

Exhibit 11

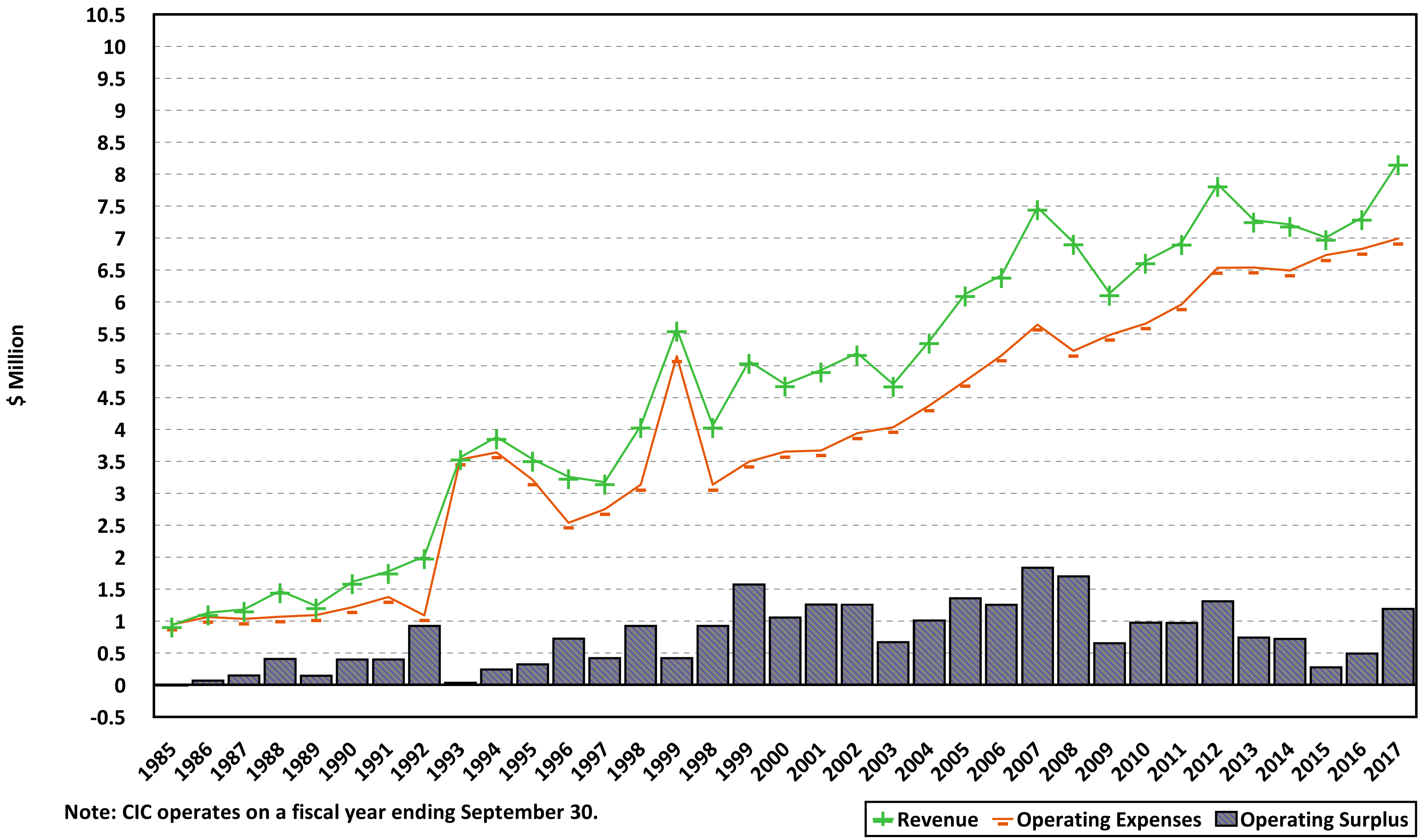


	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	AVG
Investor Net Return	9.9	9	8.5	8.4	7.5	7.1	6.4	6.8	7.6	7.3	6.8	6.7	6.4	6.6	6	5.3	4.7	4.8	5.7	5.5	4.9	4.6	4.1	3.6	3.3	2.6	2.6	2.8	3	5.8
3-year Roll. Avg. 3-year T-note	8	8.4	8.1	7	5.8	5.2	5.6	6	6.2	5.8	5.6	5.6	5.4	4.8	3.4	2.7	2.8	3.6	4.3	4	2.9	1.8	1.2	0.8	0.6	0.6	0.8	1	1.1	4.1
Margin	1.9	0.6	0.4	1.4	1.7	1.9	0.8	0.8	1.4	1.5	1.2	1.1	1	1.8	2.6	2.6	1.9	1.2	1.4	1.5	2	2.8	2.8	2.8	2.7	2	1.8	1.8	1.9	1.7

Note: The Multifamily investor return is calculated by averaging each month's net interest remitted (gross interest less: service fee, funding to loss reserve, and principal losses) divided by the month's beginning portfolio balance. CIC operates on a fiscal year ending September 30. CIC rates quoted represent full year averages. Individual Investor spreads will vary depending on loan mix and Investor share of losses, if any.

CIC/CII CONSOLIDATED OPERATING REVENUE AND EXPENSES

Exhibit 12



Note: CIC operates on a fiscal year ending September 30.