

# ILLINOIS FINANCE AUTHORITY

February 11, 2014

## AGENDA

### COMMITTEE OF THE WHOLE MEETING

9:30 a.m.

IFA Chicago Office

Two Prudential Plaza

180 North Stetson Avenue, Suite 2555

Chicago, Illinois 60601

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Message from the Executive Director
- IV. Consideration of the Minutes
- V. Presentation and Consideration of the Financial Statements
- VI. Committee Reports
- VII. Project Reports and Resolutions
- VIII. Other Business
- IX. Public Comment
- X. Adjournment

### BOARD MEETING

10:30 a.m.

Conference Center

One Prudential Plaza

130 East Randolph Street, Suite 750

Chicago, Illinois 60601

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Adoption of the Minutes
- IV. Acceptance of the Financial Statements
- V. Approval of Project Reports and Resolutions
- VI. Other Business
- VII. Public Comment
- VIII. Adjournment

**PROJECT REPORTS AND RESOLUTIONS**

**AGRICULTURE PROJECTS**

| Tab                                   | Project Name                        | Location                               | Amount           | New Jobs | Const. Jobs | Staff |
|---------------------------------------|-------------------------------------|--|------------------|----------|-------------|-------|
| <b>Beginning Farmer Bonds</b>         |                                     |  |                  |          |             |       |
| <i>Final (One-Time Consideration)</i> |                                     |  |                  |          |             |       |
| 1                                     | A) Derek P. Ifft                    | Pella Township (Ford County)           | \$100,000        | -        | -           | LK    |
|                                       | B) Philip Ryan & Rebecca Ellen Ochs | Wade and Fox Townships (Jasper County) | \$237,344        | -        | -           | LK    |
|                                       | C) Levi M. Spurlock                 | Farrington Township (Jefferson County) | \$140,000        | -        | -           | LK    |
|                                       | D) Mark L. Quade                    | West Township (Effingham County)       | \$325,000        | -        | -           | LK    |
| <b>TOTAL AGRICULTURE PROJECTS</b>     |                                     |  | <b>\$802,344</b> | -        | -           |       |

**EDUCATIONAL, CULTURAL AND NON-HEALTHCARE 501(c)(3) PROJECTS**

|   |                              |                            |                    |     |     |       |
|---|------------------------------|----------------------------|--------------------|-----|-----|-------|
| <b>501(c)(3) Revenue Bonds</b>  |                              |                            |                    |     |     |       |
| <i>Final (One-Time Consideration)</i>                                     |                              |                            |                    |     |     |       |
| 2   | North American Spine Society | Burr Ridge (DuPage County) | \$8,860,000        | N/A | N/A | PL/NO |
| <b>TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS</b> |                              |                            | <b>\$8,860,000</b> | -   | -   |       |

**HEALTHCARE PROJECTS**

|                                  |                        |                          |                      |              |            |       |
|----------------------------------|------------------------|--------------------------|----------------------|--------------|------------|-------|
| <b>501(c)(3) Revenue Bonds</b>   |                        |                          |                      |              |            |       |
| <i>Preliminary</i>               |                        |                          |                      |              |            |       |
| 3                                | Centegra Health System | Huntley (McHenry County) | \$193,000,000        | 1,100        | 800        | PL/NO |
| <b>TOTAL HEALTHCARE PROJECTS</b> |                        |                          | <b>\$193,000,000</b> | <b>1,100</b> | <b>800</b> |       |
| <b>GRAND TOTAL</b>               |                        |                          | <b>\$202,662,344</b> | <b>1,100</b> | <b>800</b> |       |

**PROJECT REPORTS AND RESOLUTIONS**

**RESOLUTIONS**

| Tab                | Action  | Staff |
|--------------------|---|-------|
| <b>Resolutions</b> |   |       |
| 4                  | Resolution Providing for the Issuance of Not to Exceed \$11,850,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (IIT Research Institute); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters | RF/BF |
| 5                  | Resolution Authorizing the Amendment of the Bond and Loan Agreement Among the Illinois Finance Authority, National Hellenic Museum and First Midwest Bank Relating to the Authority's Cultural Facility Revenue Bond (National Hellenic Museum Project), Series 2012; and Related Matters   | RF/BF |
| 6                  | Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture Providing for a Substitution of Obligation relating to Illinois Finance Authority Revenue Bonds, Series 2006 (Kewanee Hospital Project); and Related Matters   | PL/NO |
| 7                  | Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture and a First Supplemental Loan Agreement in Connection with Illinois Finance Authority Revenue Bonds, Series 2012A (Hospital Sisters Services, Inc. – Obligated Group); and Related Matters   | PL/NO |
| 8                  | Resolution of Intent Requesting an Initial Allocation of Calendar Year 2014 Private Activity Bond Volume Cap in the Amount of \$225,000,000   | CM    |
| 9                  | Ratification of Resolution Supporting Comments by Illinois Department of Agriculture on Proposed Rule for 2014 Standards for the Renewable Fuel Standard Program  | CM    |
| 10                 | Resolution Authorizing the Executive Director to Return State Energy Program Monies Authorized Under the American Recovery and Reinvestment Act of 2009 to the Illinois Department of Commerce and Economic Opportunity   | CM    |

February 11, 2014

TO: William A. Brandt, Jr., Chairman  
Gila J. Bronner  
James J. Fuentes  
Norman M. Gold  
Lerry Knox  
Edward H. Leonard, Sr.  
Carmen Lonstein  
Terrence M. O'Brien

Michael W. Goetz, Vice-Chairman  
Heather D. Parish  
Mayor Barrett F. Pedersen  
Roger Poole  
Mordecai Tessler  
David Vaught  
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

***Happy Tenth Birthday Illinois Finance Authority***

January 1, 2014 was the tenth anniversary of the effective date of Public Act 93-0205, the legislation that created the Authority. Public Act 93-0205 was originally SB 1075 and was sponsored by the late State Senator Vince Demuzio and former State Representative Gary Hannig. The final amendments to SB 1075 passed the House on a 98-17 vote and passed the Senate on a 30-25 vote. Public Act 93-0205 consolidated seven predecessor entities (some active, some not; some funded by appropriated State taxpayer dollars, some not; some with overlapping missions) into a single, self-funded financing organization with a broad primary mission to create and retain jobs in Illinois, primarily through federally tax-exempt conduit financing.

Over the last decade, under the leadership of its volunteer Board, the Authority has much to be proud of, including the following:

- We are a transparent, accountable, predictable issuer of federally tax-exempt, conduit debt, generally backed by capital assets, on behalf of non-profit hospitals and health systems, non-profit colleges and universities, non-profit senior communities, non-profit museums and cultural institutions, mid-sized manufacturers, beginning farmers, local governments and other qualified borrowers under the federal tax code;
- We closed 1,077 financing projects through the issuance of just under \$31 billion in mainly conduit debt, with just under \$25 billion currently outstanding;
- Through the issuance of Authority bonds, borrowers estimate that Authority financings have helped retain or create thousands of permanent and construction jobs;
- We financed the purchase of thousands of acres of land by Illinois beginning farmers;

- Conducted our operations within our self-funded financial means;
- Successfully ended or managed legacy programs without undue risk to the Authority;
- During the most challenging economic situation since the Great Depression, we identified opportunities that saved our borrowers or taxpayers money either through our close working relationship with Governor Quinn and the Illinois General Assembly or through our knowledge of the capital markets, as exemplified by the following:
  - In partnership with Illinois Environmental Protection Agency, we issued Triple A (“AAA”) rated State Revolving Fund bonds to provide partial, initial funding for Governor Quinn’s Clean Water Initiative, now \$2 billion, low-interest loan program available to Illinois local governments to finance essential water infrastructure projects;
  - During late 2007 and early 2008, in advance of the recession and during the collapse of the auction rate securities/bond insurance-supported market, we refinanced numerous borrowers into new financing modes promptly, efficiently and professionally – mitigating the risk of loss to our borrowers in the millions of dollars;
  - Aggregated federal stimulus era bonding authority to allow for the tax-exempt financing of a wide variety of projects across Illinois, including Navistar, Inc.’s headquarters in Lisle; and
  - Helped a biodiesel plant become financially viable to employ workers in economically distressed Danville without calling on a taxpayer guarantee.

### ***The Future***

Despite our accomplishments, the immediate future appears challenging. See Bond Buyer, January 16, 2014, *Low 2014 Issuance Will Rival Worst in Decade, Dealers Say*; Bond Buyer, February 6, 2014, *January Issuance Falls 33%*. However, we are prepared to weather these challenges – as we have faced more serious challenges over the past decade.

In 2012, the Authority adopted a strategic plan with four guideposts to meet when developing new programs:

First, the Authority will look to whether a proposed program will fulfill its broad economic development public mission;

Second, the Authority will carefully examine a program’s broad risk profile, including financial risk, regulatory risk, and reputational risk, and staff will ensure that the risk profile is clearly articulated to the Board so the best decision possible can be made;

Third, the Authority will determine the entire net revenue impact of a proposed program – particularly important to a self-funded entity that is particularly subject to cyclical revenue; and

Fourth, the Authority will ensure that there will be a “but for” for the new proposed program. It is important that programs do not compete with established programs provided by larger, better funded private, non-profit or governmental entities.

***Welcome New Member David Vaught***

We are pleased to welcome David Vaught to the Authority Board. Mr. Vaught brings a wealth of private and public sector financial experience to the Authority as well as a unique regional perspective.

I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our great state.

Respectfully,

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Christopher B. Meister  
Executive Director

Attachments:

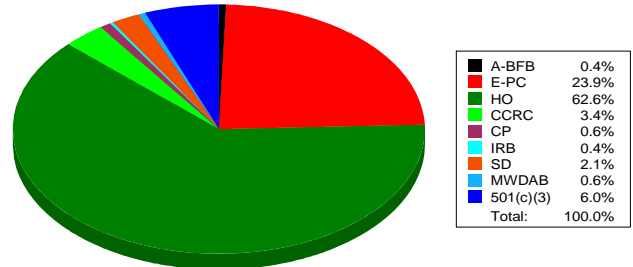
Attachment 1 – Bonds Activity Reports; Schedule of Debt

## Bonds Issued - Fiscal Year Comparison for the Period Ending January 31, 2014

### Fiscal Year 2012

| #         | Market Sector                 | Principal Issued        |
|-----------|-------------------------------|-------------------------|
| 41        | Agriculture - Beginner Farmer | \$ 8,784,789            |
| 3         | Education                     | \$ 474,685,000          |
| 14        | Healthcare - Hospital         | \$ 1,242,038,200        |
| 2         | Healthcare - CCRC             | \$ 66,765,000           |
| 1         | Healthcare-Community Provider | \$ 12,700,000           |
| 2         | Industrial Revenue            | \$ 7,295,000            |
| 1         | Local Government Schools      | \$ 42,010,000           |
| 1         | Midwest Disaster Area Bonds   | \$ 11,066,000           |
| 13        | 501(c)(3) Not-for-Profit      | \$ 118,256,846          |
| <b>78</b> |                               | <b>\$ 1,983,600,835</b> |

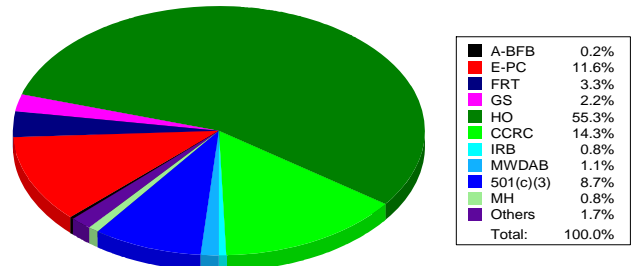
### Bonds Issued in Fiscal Year 2012



### Fiscal Year 2013

| #         | Market Sector                             | Principal Issued        |
|-----------|---|-------------------------|
| 14        | Agriculture - Beginner Farmer             | \$ 4,461,655            |
| 8         | Education                                 | \$ 264,865,000          |
| 1         | Gas Supply                                | \$ 50,000,000           |
| 10        | Healthcare - Hospital                     | \$ 1,262,625,000        |
| 5         | Healthcare - CCRC                         | \$ 326,840,068          |
| 3         | Industrial Revenue                        | \$ 18,112,280           |
| 3         | Midwest Disaster Area Bonds               | \$ 25,700,000           |
| 11        | 501(c)(3) Not-for-Profit                  | \$ 198,592,750          |
| 1         | MultiFamily/Senior Housing                | \$ 18,630,000           |
| 1         | Freight Transfer Facilities Bonds         | \$ 75,000,000           |
| 2         | Local Government                          | \$ 15,025,000           |
| 1         | Environmental issued under 20 ILCS 3515/9 | \$ 10,935,000           |
| <b>60</b> |   | <b>\$ 2,270,786,753</b> |

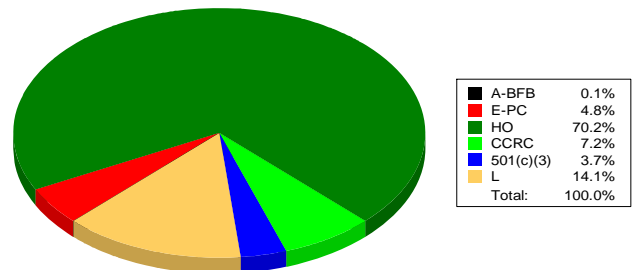
### Bonds Issued in Fiscal Year 2013



### Fiscal Year 2014

| #         | Market Sector                 | Principal Issued       |
|-----------|-------------------------------|------------------------|
| 8         | Agriculture - Beginner Farmer | \$ 1,893,683           |
| 3         | Education                     | \$ 83,495,000          |
| 6         | Healthcare - Hospital         | \$ 1,230,795,000       |
| 5         | Healthcare - CCRC             | \$ 125,660,000         |
| 5         | 501(c)(3) Not-for-Profit      | \$ 79,327,000          |
| 6         | Local Government              | \$ 247,360,000         |
| <b>33</b> |                               | <b>\$1,768,530,683</b> |

### Bonds Issued in Fiscal Year 2014





## Bonds Issued and Outstanding as of January 31, 2014

### Bonds Issued between July 01, 2013 and January 31, 2014

| <u>Bond Issue</u>   | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u>        | <u>Bonds Refunded</u>        |
|---|--------------------|------------------------------|--------------------------------|------------------------------|
| E-PC Concordia University                                 | 07/01/2013         | Variable                     | 17,000,000                     | 17,000,000                   |
| L Township High School District Number 113, Series 2013A  | 07/01/2013         | Fixed at Schedule            | 41,530,000                     | 0                            |
| HO Rehabilitation Institute of Chicago                    | 07/01/2013         | Fixed at Schedule            | 398,000,000                    | 90,000,000                   |
| A-BFB Beginner Farmer Bonds                               | 07/01/2013         | various                      | 1,893,683                      | 0                            |
| 501(c)(3) Lake Forest Country Day School                  | 08/01/2013         | Variable                     | 23,000,000                     | 23,000,000                   |
| HO Advocate Health Care Network                           | 08/01/2013         | Fixed at Schedule            | 96,905,000                     | 0                            |
| CCRC Illinois College of Optometry                        | 08/01/2013         | Variable                     | 40,665,000                     | 40,152,503                   |
| L Township High School District Number 113, Series 2013 B | 08/21/2013         | Fixed at Schedule            | 8,470,000                      | 0                            |
| L East Richland C.U.S.D. #1                               | 08/29/2013         | Fixed at Schedule            | 20,140,000                     | 20,280,291                   |
| 501(c)(3) YMCA of Rock River Valley                       | 09/01/2013         | Variable                     | 6,750,000                      | 0                            |
| HO Presence Health Network                                | 09/15/2013         | Variable                     | 366,865,000                    | 366,865,000                  |
| L Community College District No. 532                      | 09/27/2013         | Fixed at Schedule            | 26,790,000                     | 0                            |
| CCRC Westminster Village                                  | 10/01/2013         | Variable                     | 7,000,000                      | 0                            |
| 501(c)(3) Noble Network of Charter School                 | 10/24/2013         | Fixed at Schedule            | 20,000,000                     | 0                            |
| CCRC Peace Village  | 10/29/2013         | Fixed at Schedule            | 22,495,000                     | 16,225,000                   |
| E-PC Columbia College Chicago                             | 10/30/2013         | Variable                     | 7,850,000                      | 7,695,000                    |
| 501(c)(3) Elim Christian Services                         | 11/01/2013         | Variable                     | 14,577,000                     | 14,400,000                   |
| HO Elmhurst Memorial Healthcare                           | 10/31/2013         | Fixed at Schedule            | 109,025,000                    | 126,760,629                  |
| E-PC Benedictine University                               | 11/01/2013         | Variable                     | 58,645,000                     | 0                            |
| CCRC Smith Crossing                                       | 11/08/2013         | Variable                     | 40,000,000                     | 0                            |
| 501(c)(3) Lincoln Park                                    | 11/22/2013         | Fixed at Schedule            | 15,000,000                     | 0                            |
| L Flora Community Unit School District                    | 12/05/2013         | Fixed at Schedule            | 8,730,000                      | 0                            |
| L Clean Water Initiative Revolving Fund                   | 12/05/2013         | Fixed at Schedule            | 141,700,000                    | 99,120,000                   |
| CCRC The Lodge of Northbrook                              | 12/01/2013         | Fixed at Schedule            | 15,500,000                     | 0                            |
| HO Elmhurst Memorial Healthcare                           | 12/17/2013         | Variable                     | 200,000,000                    | 0                            |
| HO Memorial Health System                                 | 01/15/2014         | Fixed at Constant            | 60,000,000                     | 0                            |
| <b>Total Bonds Issued as of January 31, 2014</b>          |                    |                              | <b><u>\$ 1,768,530,683</u></b> | <b><u>\$ 821,498,423</u></b> |

**Legend** Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.

Beginner Farmer Bonds interest rates are shown in section below.

### Beginner Farmer Bonds Funded between July 01, 2013 and January 31, 2014

| <u>Borrower</u>                           | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u>       | <u>Acres</u>           | <u>County</u> |
|---|--------------------|------------------------------|----------------------------|------------------------|---------------|
| Scrivner, Wade David Hugh                 | 07/10/2013         | 3.80%                        | 440,000                    | 164.63                 | Jefferson     |
| Haile, Joshua R                           | 10/07/2013         | 3.00                         | 195,000                    | 123.00                 | Jefferson     |
| Lynch, Derek C. and Lynch, Jonna \        | 10/25/2013         | 3.50                         | 249,100                    | 55.00                  | Edwards       |
| Curt & Stacey Robbins                     | 12/03/2013         | 4.99                         | 250,000                    | 1,250.00               | Wayne         |
| Cody D. Heiden                            | 12/06/2013         | 3.25                         | 285,000                    | 40.00                  | Fayette       |
| Mason T. Muchow                           | 12/06/2013         | 3.25                         | 246,783                    | 41.15                  | Effingham     |
| Tyler Ethan Ory Vaughn                    | 12/06/2013         | 4.25                         | 120,000                    | 80.00                  | Wayne         |
| Gregory S. & Shyannon R.                  | 12/13/2013         | 3.25                         | 107,800                    | 98.00                  | Hamilton      |
| <b>Total Beginner Farmer Bonds Issued</b> |                    |                              | <b><u>\$ 1,893,683</u></b> | <b><u>1,851.78</u></b> |               |



**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the \$28.15B cap in Section 845-5(a).

| Section I (a)   | Principal Outstanding    |                          | Program Limitations      | Remaining Capacity      |
|---|--------------------------|--------------------------|--------------------------|-------------------------|
|   | June 30, 2013            | January 31, 2014         |                          |                         |
| <b>Illinois Finance Authority "IFA" <sup>[b]</sup></b>              |                          |                          |                          |                         |
| Agriculture   | \$ 50,122,850            | \$ 52,016,533            |                          |                         |
| Education   | 4,299,747,133            | 4,246,752,894            |                          |                         |
| Healthcare  | 13,167,246,739           | 13,624,962,149           |                          |                         |
| Industrial Development [includes Recovery Zone/Midwest Disaster]    | 727,007,782              | 783,970,078              |                          |                         |
| Local Government  | 220,095,000              | 381,405,000              |                          |                         |
| Multifamily/Senior Housing  | 173,925,220              | 172,321,371              |                          |                         |
| 501(c)(3) Not-for Profits   | 1,360,842,375            | 1,393,592,471            |                          |                         |
| Exempt Facilities Bonds   | 330,020,000              | 329,970,000              |                          |                         |
| <b>Total IFA Principal Outstanding</b>                              | <b>\$ 20,329,007,099</b> | <b>\$ 20,984,990,497</b> |                          |                         |
| <b>Illinois Development Finance Authority "IDFA" <sup>[b]</sup></b> |                          |                          |                          |                         |
| Education   | 12,911,388               | 11,126,388               |                          |                         |
| Healthcare  | 180,475,000              | 180,475,000              |                          |                         |
| Industrial Development  | 181,388,219              | 441,535,329              |                          |                         |
| Local Government  | 395,170,898              | 314,596,906              |                          |                         |
| Multifamily/Senior Housing  | 91,743,171               | 91,668,648               |                          |                         |
| 501(c)(3) Not-for Profits   | 804,882,190              | 790,663,137              |                          |                         |
| Exempt Facilities Bonds   | 75,000,000               | 75,000,000               |                          |                         |
| <b>Total IDFA Principal Outstanding</b>                             | <b>\$ 1,741,570,867</b>  | <b>\$ 1,905,065,408</b>  |                          |                         |
| <b>Illinois Rural Bond Bank "IRBB" <sup>[b]</sup></b>               |                          |                          |                          |                         |
| Bond Bank Revenue Bonds   | 13,365,000               | 13,185,000               |                          |                         |
| <b>Total IRBB Principal Outstanding</b>                             | <b>\$ 13,365,000</b>     | <b>\$ 13,185,000</b>     |                          |                         |
| <b>Illinois Health Facilities Authority "IHFA"</b>                  | <b>\$ 1,270,303,000</b>  | <b>\$ 981,673,000</b>    |                          |                         |
| <b>Illinois Educational Facilities Authority "IEFA"</b>             | <b>\$ 1,030,201,000</b>  | <b>\$ 982,957,000</b>    |                          |                         |
| <b>Illinois Farm Development Authority "IFDA" <sup>[f]</sup></b>    | <b>\$ 21,609,864</b>     | <b>\$ 21,609,864</b>     |                          |                         |
| <b>Total Illinois Finance Authority Debt</b>                        | <b>\$ 24,406,056,830</b> | <b>\$ 24,889,480,769</b> | <b>\$ 28,150,000,000</b> | <b>\$ 3,260,519,231</b> |

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Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]

| Section I (b)   | Principal Outstanding |                       | Program Limitations   | Remaining Capacity   |
|---|-----------------------|-----------------------|-----------------------|----------------------|
|   | June 30, 2013         | January 31, 2014      |                       |                      |
| <b>General Purpose Moral Obligations</b>                  |                       |                       |                       |                      |
| Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]   |                       |                       |                       |                      |
| Issued through IRBB - Local Government Pools              | 13,365,000            | \$ 13,185,000         |                       |                      |
| Issued through IFA - Local Government Pools               | 23,875,000            | 23,875,000            |                       |                      |
| Issued through IFA - Illinois Medical District Commission | 38,440,000            | 37,600,000            |                       |                      |
| <b>Total General Moral Obligations</b>                    | <b>\$ 75,680,000</b>  | <b>\$ 74,660,000</b>  | <b>\$ 150,000,000</b> | <b>\$ 75,340,000</b> |
| <b>Financially Distressed Cities Moral Obligations</b>    |                       |                       |                       |                      |
| Illinois Finance Authority Act [20 ILCS 3501/825-60]      |                       |                       |                       |                      |
| Issued through IFA  | \$ 2,630,000          | \$ -                  |                       |                      |
| Issued through IDFA                                       | 1,250,000             | -                     |                       |                      |
| <b>Total Financially Distressed Cities</b>                | <b>\$ 3,880,000</b>   | <b>\$ -</b>           | <b>\$ 50,000,000</b>  | <b>\$ 50,000,000</b> |
| <b>State Component Unit Bonds <sup>[c]</sup></b>          |                       |                       |                       |                      |
| Issued through IDFA <sup>[1]</sup>                        | 58,665,000            | 11,630,000            |                       |                      |
| Issued through IFA <sup>[1]</sup>                         | 69,679,739            | 148,247,560           |                       |                      |
| <b>Total State Component Unit Bonds</b>                   | <b>\$ 128,344,739</b> | <b>\$ 159,877,560</b> |                       |                      |

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Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

| Section I (c)                                | Principal Outstanding |                      | Program Limitations | Remaining Capacity   |
|--|-----------------------|----------------------|---------------------|----------------------|
|  | June 30, 2013         | January 31, 2014     |                     |                      |
| <b>Midwest Disaster Bonds [Flood Relief]</b> | <b>\$ 66,883,240</b>  | <b>\$ 66,400,584</b> | <b>\$ -</b>         | <b>\$ 41,530,000</b> |

-----  
Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

| Section I (d)                                    | ARRA Act of 2009 Volume Cap Allocated <sup>[h]</sup> | City/Counties Ceded Voluntarily to IFA | Bonds issued as of January 31, 2013 | Available "Ceded" Volume Cap |
|--|--|--|-------------------------------------|------------------------------|
| <b>Recovery Zone Economic Development Bonds;</b> | <b>\$ 666,972,000</b>                                | <b>\$ 16,940,000</b>                   | <b>\$ 12,900,000</b>                | <b>\$ 4,040,000</b>          |
| <b>Recovery Zone Facilities Bonds</b>            | <b>\$ 1,000,457,000</b>                              | <b>\$ 292,400,000</b>                  | <b>\$ 214,849,804</b>               | <b>\$ 77,550,196</b>         |
| <b>Qualified Energy Conservation Bonds</b>       | <b>\$ 133,846,000</b>                                | <b>\$ -</b>                            | <b>\$ 44,370,000</b>                | <b>\$ -</b>                  |

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

| Section II            | Principal Outstanding |                  | Program Limitations | Remaining Capacity |
|-----------------------|-----------------------|------------------|---------------------|--------------------|
|                       | June 30, 2013         | January 31, 2014 |                     |                    |
| Illinois Power Agency | \$ -                  | \$ -             | \$ 4,000,000,000    | \$ 4,000,000,000   |

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

| Section III   | Principal Outstanding |                  | Program Limitations             | Remaining Capacity |
|---|-----------------------|------------------|---------------------------------|--------------------|
|   | June 30, 2013         | January 31, 2014 |                                 |                    |
| Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects | \$ -                  | \$ -             | \$ 3,000,000,000 <sup>[d]</sup> | \$ 3,000,000,000   |

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

| Section IV  | Principal Outstanding |                      | Program Limitations           | Remaining Capacity    | State Exposure       |
|---|-----------------------|----------------------|-------------------------------|-----------------------|----------------------|
|   | June 30, 2013         | January 31, 2014     |                               |                       |                      |
| <b>Agri Debt Guarantees [Restructuring Existing Debt]</b> |                       |                      |                               |                       |                      |
| Fund # 994 - Fund Balance \$10,092,286                    | \$ 13,029,800         | \$ 11,580,000        | \$ 160,000,000                | \$ 148,420,000        | \$ 9,834,510         |
| <b>AG Loan Guarantee Program</b>                          |                       |                      |                               |                       |                      |
| Fund # 205 - Fund Balance \$7,794,165                     | \$ 13,107,200         | \$ 11,056,165        | \$ 225,000,000 <sup>[e]</sup> | \$ 213,943,835        | \$ 9,397,740         |
| Agri Industry Loan Guarantee Program                      | \$ 7,256,577          | \$ 5,699,116         |                               |                       | 4,844,249            |
| Farm Purchase Guarantee Program                           | 944,285               | 937,143              |                               |                       | 796,571              |
| Specialized Livestock Guarantee Program                   | 3,333,728             | 2,971,892            |                               |                       | 2,526,108            |
| Young Farmer Loan Guarantee Program                       | 1,572,606             | 1,448,014            |                               |                       | 1,230,812            |
| <b>Total State Guarantees</b>                             | <b>\$ 26,137,000</b>  | <b>\$ 22,636,165</b> | <b>\$ 385,000,000</b>         | <b>\$ 362,363,835</b> | <b>\$ 19,232,251</b> |

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85]

| Section V  | Principal Outstanding |                  | Appropriation Fiscal Year 2014 | Fund Balance |
|--|-----------------------|------------------|--------------------------------|--------------|
|  | June 30, 2013         | January 31, 2014 |                                |              |
| 132 Fire Truck Revolving Loan Program Fund # 572 | \$ 18,532,024         | \$ 17,052,813    | \$ 2,383,342                   | \$ 4,299,251 |
| 8 Ambulance Revolving Loan Program Fund # 334    | \$ 510,240            | \$ 415,920       | \$ 7,006,800                   | \$ 3,764,309 |

**Note: Due to deposits in transit, the Cash Balance at the Illinois Office of the Comptroller may differ from the Illinois Finance Authority's General Ledger.**

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

| Section VI                                      | Principal Outstanding |                       | Program Limitations     | Remaining Capacity      |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
|   | June 30, 2013         | January 31, 2014      |                         |                         |
| <b>Environmental [Large Business]</b>           |                       |                       |                         |                         |
| Issued through IFA                              | \$ 78,235,000         | \$ 76,495,000         |                         |                         |
| Issued through IDFA                             | 289,745,000           | 272,335,000           |                         |                         |
| <b>Total Environmental [Large Business]</b>     | <b>\$ 367,980,000</b> | <b>\$ 348,830,000</b> | <b>\$ 2,425,000,000</b> | <b>\$ 2,076,170,000</b> |
| <b>Environmental [Small Business]</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 75,000,000</b>    | <b>\$ 75,000,000</b>    |
| <b>Total Environment Bonds Issued under Act</b> | <b>\$ 367,980,000</b> | <b>\$ 348,830,000</b> | <b>\$ 2,500,000,000</b> | <b>\$ 2,151,170,000</b> |

**Illinois Finance Authority Funds at Risk**

| Section VII  | Original Amount         | Principal Outstanding  |                        |
|--|-------------------------|------------------------|------------------------|
|  |                         | June 30, 2013          | January 31, 2014       |
| <b>Participation Loans</b>                             |                         |                        |                        |
| 9 Business & Industry                                  | 23,020,157.95           | 3,079,599.40           | 2,486,596.45           |
| 6 Agriculture  | 6,079,859.01            | 1,362,182.82           | 964,081.54             |
| 15 Participation Loans excluding Defaults & Allowances | \$ 29,100,016.96        | \$ 4,441,782.22        | \$ 3,450,677.99        |
| <b>Plus: Legacy IDFA Loans in Default</b>              |                         | <b>858,458.00</b>      | <b>858,458.00</b>      |
| <b>Less: Allowance for Doubtful Accounts</b>           |                         | <b>1,162,656.00</b>    | <b>1,045,643.00</b>    |
| <b>Total Participation Loans</b>                       |                         | <b>\$ 4,137,584.22</b> | <b>\$ 3,263,492.99</b> |
| 4 Local Government Direct Loans                        | \$ 1,289,750.00         | \$ 188,820.52          | 167,688.88             |
| 3 FmHA Loans   | \$ 963,250.00           | \$ 246,141.72          | 232,676.20             |
| 2 Renewable Energy [RED Fund]                          | \$ 2,000,000.00         | \$ 1,489,068.09        | 1,435,517.48           |
| 24 <b>Total Loans Outstanding</b>                      | <b>\$ 34,353,016.96</b> | <b>\$ 6,061,621.55</b> | <b>\$ 5,099,375.55</b> |

<sup>[a]</sup> Total subject to change; late month payment data may not be included at issuance of report.

<sup>[b]</sup> State Component Unit Bonds included in balance.

<sup>[c]</sup> Does not include Unamortized issuance premium as reported in Audited Financials.

<sup>[d]</sup> Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.

<sup>[e]</sup> Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.

<sup>[f]</sup> Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.

<sup>[g]</sup> Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

<sup>[h]</sup> Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

<sup>[i]</sup> Includes EPA Clean Water Revolving Fund



## COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY  
COMMITTEE OF THE WHOLE  
REGULAR MEETING  
TUESDAY, DECEMBER 10, 2013  
9:31 A.M.**

### **I. Call to Order & Roll Call**

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the “Committee” or “COW”), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of December in the year 2013, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 9 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Acting General Counsel declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Barclay was recorded as present at the time of 9:35 a.m.

**ILLINOIS FINANCE AUTHORITY  
COMMITTEE OF THE WHOLE  
COMMITTEE ROLL CALL  
QUORUM ROLL CALL FOR ATTENDANCE**

December 10, 2013

0 YEAS

0 NAYS

10 PRESENT

|   |                 |   |          |   |              |
|---|-----------------|---|----------|---|--------------|
| P | Barclay (ADDED) | P | Knox     | P | Pedersen     |
| E | Bronner         | P | Leonard  | P | Poole        |
| E | Fuentes         | P | Lonstein | P | Tessler      |
| P | Goetz           | P | O’Brien  | E | Zeller       |
| E | Gold            | E | Parish   | P | Mr. Chairman |

E – Denotes Excused Absence

## **II. Chairman's Remarks**

Chairman Brandt welcomed Members of the Committee, Authority staff and all guests present.

Chairman Brandt informed the Committee that this would be Member Barclay's last Committee Meeting. He praised Member Barclay for his years of service to the Illinois Finance Authority and for his dedication to diversity efforts as a Member.

Chairman Brandt advised those present that pursuant to statute, the Office of the Governor provided a list of nominees to the Board for consideration in appointing an Executive Director of the Illinois Finance Authority for the upcoming one-year term of office set to begin in January 2014.

Executive Director Meister explained that while Members of the Illinois Finance Authority are confirmed by the Illinois Senate, the position of Executive Director is not.

Chairman Brandt reminded the Committee that Executive Director Meister accepted an annual salary at the time of his first appointment in 2009 which was substantially less than that of his predecessor.

## **III. Message from the Executive Director**

Executive Director Meister discussed that on December 5, 2013, the Illinois Finance Authority ("Authority") and the Illinois Environmental Protection Agency ("IEPA"), working in close partnership, closed the financing of \$141.7 million State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013 ("Clean Water Initiative Bonds"). This represents an important step towards realizing Governor Quinn's \$1 billion goal for the Illinois Clean Water Initiative that he announced on October 18, 2012, the 40<sup>th</sup> anniversary of the federal Clean Water Act, with former United States Environmental Protection Agency Administrator Lisa Jackson at Chicago's Shedd Aquarium. The Authority and IEPA anticipate that this will be the first of many future bond issuances under the Clean Water Initiative.

Executive Director Meister explained that Clean Water Initiative Bonds are rated "AAA" by Fitch and S&P. The total interest cost, including transactional costs, was 1.87%. The bonds were oversubscribed by almost three times. The Clean Water Initiative Bonds will roughly double IEPA's program capacity from \$400 million to just under \$800 million by freeing reserve funds through refinancing of 2002 and 2004 bonds and accessing federal grants through bond proceeds rather than scarce State appropriations.

Member Pedersen questioned the loan application process at IEPA for units of local government. Executive Director Meister assured Member Pedersen that he will coordinate with IEPA to determine if applications must be submitted by a deadline or if applications are accepted on a rolling basis throughout the year.

Chairman Brandt informed the Committee that he was pleased with the Clean Water Initiative financing, specifically praising the Clean Water Initiative Bonds for not being subject to an "Illinois penalty".

Executive Director Meister joined Chairman Brandt in thanking Member Barclay for his service to the Authority and wished him an enjoyable and well-earned retirement.

Member Barclay thanked everyone for their well wishes. Member Barclay stated that he believes Executive Director Meister brought stability to the Authority in 2009; furthermore, Member Barclay recognized the efforts of Ms. Lenane and Ms. O'Brien in the Healthcare sector.

Chairman Brandt expressed his belief that Member Barclay's legacy would be his work on increasing diversity among underwriters that participate on Authority financings.

#### **IV. Consideration of the Minutes**

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on November 14, 2013 or any errors in the Minutes of the regular meeting of the Board held on November 14, 2013.

Member Pedersen moved for the adoption of the Minutes of the regular meeting of the Committee held on November 14, 2013.

Member Leonard seconded the motion.

The motion prevailed and the Minutes were adopted.

#### **V. Presentation and Consideration of the Financial Statements**

##### ***Revenue***

Mr. Anosike explained that Total Revenue for November 2013 was \$382,713, which was positive to budget by \$44,586 or 13.2%. The primary driver for revenue in November was Administration and Application Fees, which was \$50,625 higher than budget. The Authority closed four (4) transactions in November which generated Application and Closing Fees of \$181,976 for the month.

For the Fiscal Year, Total Revenue is \$1,786,096. This amount is \$27,352 or 1.6% favorable to budget. For the year, all revenue categories are under budget except Annual Issuance/Loans and Other Revenue.

##### ***Expenses***

Total Expenses for November 2013 was \$329,857, which was \$8,586 or 2.5% under budget. For the month, Employee-related expenses, Occupancy and General Administration costs were lower than budget while Professional Services expenses were higher than budget due to New Market Tax Credit related expenses.

For the Fiscal Year, Total Expenses are \$1,486,677. This amount is 12.2% or \$205,538 favorable to budget. For the year, all expense categories are below budget due to deferred cost and lower than budgeted expenses.

##### ***Net Income***

Net Income for the month of November 2013 was \$52,856, which is \$53,172 better than budget. For the Fiscal Year, the Authority's Net Income is \$299,419 or \$232,890 better than budget.

## ***Audit***

Mr. Anosike thanked Member Bronner for her leadership throughout conversations held with the Office of Illinois Auditor General in connection with the Fiscal Year 2012 Audit. Executive Director Meister noted that the Financial Audit is expected to be completed by the end of the Calendar Year, while the Compliance Audit will be completed in a month or two thereafter.

Vice Chairman Goetz and Mr. Anosike engaged in a conversation relating to the procurement of Investment Account Managers and future expectations.

Executive Director Meister confirmed that one contract has been executed and the second, remaining contract is almost ready.

Finally, Chairman Brandt, Member Barclay and Executive Director Meister engaged in a conversation relating to the overall budget and then specifically about the hiring of an Agricultural Regional Manager; Executive Director Meister confirmed that it was his expectation that the position would be filled after January 1, 2014.

## **VI. Committee Reports**

### ***Compensation Committee***

Member O'Brien reported that the Compensation Committee reviewed nominations received from the Governor and recommended reappointing Executive Director Meister for a one-year term with a new salary of \$187,500 per annum.

### ***Agriculture Committee***

Member Leonard reported that the Agriculture Committee reviewed and recommended approval of the following project reports and resolutions: Items 1(A), 1(B) and 6.

### ***Healthcare Committee***

Dr. Barclay reported that the Healthcare Committee reviewed and recommended approval of the following project reports: Items 3 and 4.

## **VII. Project Reports and Resolutions**

### ***Agriculture Projects***

Mr. Frampton presented the following projects:

**Item 1(A):** Item 1(A) is a request for Beginning Farmer Revenue Bond financing.

Jacob D. Grapperhaus is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Forty Thousand Dollars (\$140,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 39.3 acres of farmland located in Jarvis Township in Madison County.

**Item 1(B):** Item 1(B) is a request for Beginning Farmer Revenue Bond financing.

Daniel Paul & Bobbi Jean Ochs are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Thirty-Eight Thousand Two Hundred and Forty-Five Dollars (\$138,245). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland located in Smallwood Township in Jasper County.

### ***Local Government Projects***

**Item 2:** Item 2 is a request for Local Government Financing Assistance.

Village of West Salem is requesting approval of a Preliminary Resolution authorizing the Illinois Finance Authority (the "Authority") to purchase Village of West Salem General Obligation Alternate Revenue Bonds, Series 2014 in an amount not-to-exceed One Hundred Fifty Thousand Dollars (\$150,000).

Proceeds of the Village of West Salem General Obligation Alternate Revenue Bonds, Series 2014 will be used to finance all or a portion of the costs of (i) the removal and disposal of sludge from the Village's North Sewage Treatment Lagoons, (ii) the acquisition and installation of piping, manholes, flow meter and rock filter, and related improvements to its sewerage system in the Village of West Salem, Edwards County, Illinois, and (iii) project-related professional and legal expenses associated with the financing (collectively, the "Project").

The Local Government Financing Assistance Program allows for the direct purchase of local government bonds at a fixed rate for a maximum term of twenty years.

The Program serves units of local government that have a borrowing that is small, located in a community lacking its own commercial bank, have a project that is ineligible or only partially eligible for other programs (including the Illinois's EPA State Revolving Fund Loan Programs), and, as a result, has limited borrowing options.

The Local Government Financing Assistance Program utilizes dedicated funds (currently totaling \$2.5 million) that were originally appropriated to the Illinois Rural Bond Bank for this purpose. The Authority also has the ability to allocate unencumbered treasury funds to purchase bonds directly to fund this Program.

Chairman Brandt and Mr. Frampton engaged in a conversation about the Local Government Financing Assistance Program; specifically, Mr. Frampton noted that the Project will test the Authority's ability to execute and close on the financing and likewise generate significant income to the Authority's treasury in comparison to the current overall interest rate environment.

Mr. Frampton informed the Committee that this Project likely did not fully meet the standards of a "Service Continuation Project" under the Illinois Environment Protection Agency's Water Pollution Control Loan Program for wastewater projects. Furthermore, Mr. Frampton explained that the Village shall agree to pledge "interceptable" state revenues as additional security (such payments would be pledged to the bond paying agent).

Chairman Brandt acknowledged that this will be a balance sheet loan for the Authority and remarked that the Authority must find innovative ways to increase revenue such as the Local Government Financing Assistance Program. Chairman Brandt and Mr. Frampton engaged in a conversation about the marketability of the Program and its likelihood for growth potential.

Member Barclay and Mr. Frampton discussed the expected loan amounts to be originated under this Program. Mr. Frampton informed the Committee that the niche for this Program will likely be originating loans less than \$1.5 million.

### ***Healthcare Projects***

Ms. O'Brien presented the following projects:

**Item 3:** Item 3 is a request for 501(c)(3) Revenue Bond financing.

Elmhurst Memorial Healthcare ("EMHC") is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Million Dollars (\$200,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used to: (i) refund all or a portion of the \$100,000,000 IFA Variable Rate Demand Revenue Bonds, Series 2008B (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$100,000,000 (the "Series 2008B Bonds"); (ii) refund all or a portion of the \$75,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$75,000,000 (the "Series 2008C Bonds"); (iii) refund all or a portion of the \$25,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$25,000,000 (the "Series 2008E Bonds" and, collectively with the Series 2008B Bonds and the Series 2008C Bonds, the "Prior Bonds"); (iv) pay a portion of the interest on the Series 2013 Bonds, if deemed necessary or advisable by the Authority or EMHC; (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or EMHC; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

**Item 4:** Item 4 is a request for 501(c)(3) Revenue Bond financing.

Memorial Health System is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Forty Million Dollars (\$140,000,000) (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 2014A (Memorial Health System) (the "Series 2014 Bonds") (provided that if the Authority shall also authorize the issuance of another series of revenue bonds to benefit the Borrower or its affiliates in 2014 for purposes related to the Financing Purposes defined below, the combined principal amount of all such revenue bonds, including the Series 2014 Bonds, shall not exceed \$140,000,000 in the aggregate. This project is being presented for one-time consideration.

Bond proceeds of the Series 2014 Bonds will be used by Memorial Medical Center (the "Borrower") to do any or all of the following: (i) pay or reimburse the Borrower for, or



refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Act) for the Borrower’s acute care hospital located in Springfield, Illinois; (ii) establish a debt service reserve fund with respect to the Series 2014 Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

Member Barclay inquired as to the status of a minority underwriting firm partaking in the sale of the Series 2014 Bonds. Ms. Lenane explained that no minority underwriting firms have attempted to contact the Borrower or current transaction team.

Vice Chairman Goetz suggested contact be made with Nina Harris, President and Chief Executive Officer of the Springfield Urban League. She serves on the Board of Directors for Memorial Medical Center.

Chairman Brandt and Member Knox engaged in a conversation about the future of the Authority’s Diversity Committee; specifically, Chairman Brandt suggested that the Directors or Trustees of borrowers be reviewed in advance so as to provide a possible conduit for diversity conversations.

Ms. Lenane later commented that a minority firm was hired by the Authority to serve as issuer’s counsel on the Memorial Health System transaction.

### ***Resolutions***

Mr. Frampton presented the following resolutions:

- Item 5:** Item 5 is a Resolution Providing for the Issuance of Not-To-Exceed \$5,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (New Hope Center, Inc. Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and Related Documents; and Approving Related Matters.
- Item 6:** Item 6 is a Resolution Approving Release of Approximately 2.25 Acres of Farmland in Connection with Existing Beginning Farmer Bond Loan #2008-09-000.

Ms. Lenane presented the following resolution:

- Item 7:** Item 7 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed \$370,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto.

Mr. Richard Kwasneski, Executive Director of Joliet Arsenal Development Authority, thanked Members of the Committee for their consideration of this financing.

Mr. O’Brien inquired about how many acres of land were left to be developed. Mr. Kwasneski informed the Committee that of an original 3,000 acres, approximately 450 acres remains to be developed.

Member O'Brien inquired as to the development of ProLogis Park Arsenal, a 775-acre project designed to accommodate regional and super regional distribution centers. Mr. Kwasneski indicated that ProLogis intended to buy more property but opted not to after 2008 and the ensuing economic downturn.

Vice Chairman Goetz asked how the Authority would be repaid if the Illinois General Assembly does not make the expected appropriation to JADA. Ms. Lenane informed the Committee that the Authority would be repaid upon sale of the land if an appropriation is not made.

Ms. O'Brien presented the following resolution:

**Item 8:** Item 8 is a Resolution Authorizing the Adoption of the Tax-Exempt Bond Compliance Policy of the Illinois Finance Authority.

Mr. Anosike presented the following resolution:

**Item 9:** Item 9 is a Resolution Approving the Terms of Various Contracts.

Mr. Anosike and Executive Director Meister explained that the vendors had been solicited through a procurement process developed upon the passage of legislation exempting the Authority from the State of Illinois Procurement Code.

Chairman Brandt explained that some firms chose not to submit proposals due to the onerous disclosure requirements. Moreover, this procurement will likely diminish the Authority's past practice of procuring firms on an emergency basis under the litigation exception.

Chairman Brandt presented the following resolution:

**Item 10:** Item 10 is a Resolution Appointing the Executive Director of the Illinois Finance Authority for One-Year Term of Office.

Member Pedersen moved for the adoption of the following resolution: Item 10.

Vice Chairman Goetz seconded the motion.

On a voice vote, the motion prevailed and the Resolution was adopted.

Chairman Brandt presented the following resolution:

**Item 11:** Item 11 is a Resolution of Recognition and Appreciation to Board Member Dr. William Barclay.

The Governor appointed Dr. William Barclay as a Board Member of the Authority on June 12, 2007 and Dr. Barclay has served with distinction as a Board Member since the date on which he was appointed.

During his tenure, Dr. Barclay brought his many talents to the Authority and was very involved in all sectors of the Authority's business. Dr. Barclay was particularly interested in healthcare and minority participation in financings. Under Dr. Barclay's leadership, minority participation in the underwriting group on major financings increased geometrically.

Dr. William Barclay is commended for his service to the Authority and to the people of the state of Illinois and as a result of his dedicated service he has the gratitude of the Members of the Authority and the Authority staff for his fine work and leadership.

Member Knox moved for the adoption of the following resolution: Item 11.

Member Pedersen seconded the motion.

On a voice vote, the motion prevailed and the Resolution was adopted.

### **VIII. Other Business**

Executive Director Meister informed the Committee that Authority Fellow Rob Gelles had reached the end of his term and that this would be his last Committee Meeting.

### **IX. Public Comment**

None.

### **X. Adjournment**

At the time of 10:28 a.m., Member Pedersen moved that the Committee do now adjourn until January 14, 2014, at 9:30 a.m.

Vice Chairman Goetz seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:  
Brad R. Fletcher  
Assistant Secretary of the Board



# BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
REGULAR MEETING  
TUESDAY, DECEMBER 10, 2013  
10:41 A.M.**

**I. Call to Order & Roll Call**

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of December in the year 2013, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

**ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
QUORUM ROLL CALL FOR ATTENDANCE**

December 10, 2013

0 YEAS

0 NAYS

10 PRESENT

- |   |         |   |          |   |              |
|---|---------|---|----------|---|--------------|
| P | Barclay | P | Knox     | P | Pedersen     |
| E | Bronner | P | Leonard  | P | Poole        |
| E | Fuentes | P | Lonstein | P | Tessler      |
| P | Goetz   | P | O’Brien  | E | Zeller       |
| E | Gold    | E | Parish   | P | Mr. Chairman |

E – Denotes Excused Absence

## **II. Chairman's Remarks**

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt recognized Member Barclay as pivotal to increasing diversity in the underwriting group on major financings undertaken by the Authority and thanked him for his service on the Board.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on December 10, 2013, reported the same back and that all items were thoroughly reviewed.

## **III. Adoption of the Minutes**

Minutes of the regular meeting of the Board held on November 14, 2013 and the Financial Statements for the Month Ended November 30, 2013 were taken up for consideration.

Member Pedersen moved for the adoption of the Minutes and the Financial Statements.

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes were adopted.

## **IV. Acceptance of the Financial Statements**

See Agenda Item III.

## **V. Approval of Project Reports and Resolutions**

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

### ***Agriculture Projects***

**Item 1(A):** Item 1(A) is a request for Beginning Farmer Revenue Bond financing.

Jacob D. Grapperhaus is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Forty Thousand Dollars (\$140,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 39.3 acres of farmland located in Jarvis Township in Madison County.

Member Barclay moved for the adoption of the following project: Item 1(A).

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

### *Agriculture Projects*

**Item 1(B):** Item 1(B) is a request for Beginning Farmer Revenue Bond financing.

Daniel Paul & Bobbi Jean Ochs are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Thirty-Eight Thousand Two Hundred and Forty-Five Dollars (\$138,245). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland located in Smallwood Township in Jasper County.

### *Local Government Projects*

**Item 2:** Item 2 is a request for Local Government Financing Assistance.

Village of West Salem is requesting approval of a Preliminary Resolution authorizing the Illinois Finance Authority (the "Authority") to purchase Village of West Salem General Obligation Alternate Revenue Bonds, Series 2014 in an amount not-to-exceed One Hundred Fifty Thousand Dollars (\$150,000).

Proceeds of the Village of West Salem General Obligation Alternate Revenue Bonds, Series 2014 will be used to finance all or a portion of the costs of (i) the removal and disposal of sludge from the Village's North Sewage Treatment Lagoons, (ii) the acquisition and installation of piping, manholes, flow meter and rock filter, and related improvements to its sewerage system in the Village of West Salem, Edwards County, Illinois, and (iii) project-related professional and legal expenses associated with the financing (collectively, the "Project").

The Local Government Financing Assistance Program allows for the direct purchase of local government bonds at a fixed rate for a maximum term of twenty years.

The Program serves units of local government that have a borrowing that is small, located in a community lacking its own commercial bank, have a project that is ineligible or only partially eligible for other programs (including the Illinois's EPA State Revolving Fund Loan Programs), and, as a result, has limited borrowing options.

The Local Government Financing Assistance Program utilizes dedicated funds (currently totaling \$2.5 million) that were originally appropriated to the Illinois Rural Bond Bank for this purpose. The Authority also has the ability to allocate unencumbered treasury funds to purchase bonds directly to fund this Program.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects: Items 1(B) and 2.

Leave was granted.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

***Resolutions***

- Item 5:** Item 5 is a Resolution Providing for the Issuance of Not-To-Exceed \$5,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (New Hope Center, Inc. Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and Related Documents; and Approving Related Matters.
- Item 6:** Item 6 is a Resolution Approving Release of Approximately 2.25 Acres of Farmland in Connection with Existing Beginning Farmer Bond Loan #2008-09-000.
- Item 7:** Item 7 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed \$370,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto.
- Item 8:** Item 8 is a Resolution Authorizing the Adoption of the Tax-Exempt Bond Compliance Policy of the Illinois Finance Authority.
- Item 9:** Item 9 is a Resolution Approving the Terms of Various Contracts.
- Item 10:** Item 10 is a Resolution Appointing the Executive Director of the Illinois Finance Authority for One-Year Term of Office.

Chairman Brandt advised those present that pursuant to statute, the Office of the Governor provided a list of nominees to the Board for consideration in appointing an Executive Director of the Illinois Finance Authority for the upcoming one-year term of office set to begin in January 2014. After deliberations, the Board chose to happily continue with Executive Director Meister.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following resolutions: Items 5, 6, 7, 8, 9 and 10.

Leave was granted.

These resolutions, having received the votes of a quorum of the Members of the Board, were declared adopted.

Chairman Brandt directed Mr. Frampton to present the projects with guests to the Board.

Mr. Frampton presented the following projects:

***Healthcare Projects***

- Item 3:** Item 3 is a request for 501(c)(3) Revenue Bond financing.

Elmhurst Memorial Healthcare (“EMHC”)is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Million Dollars (\$200,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used to: (i) refund all or a portion of the \$100,000,000 IFA Variable Rate Demand Revenue Bonds, Series 2008B (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$100,000,000 (the “Series 2008B Bonds”); (ii) refund all or a portion of the \$75,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Elmhurst Memorial Healthcare),

currently outstanding in the principal amount of \$75,000,000 (the “Series 2008C Bonds”); (iii) refund all or a portion of the \$25,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$25,000,000 (the “Series 2008E Bonds” and, collectively with the Series 2008B Bonds and the Series 2008C Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Series 2013 Bonds, if deemed necessary or advisable by the Authority or EMHC; (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or EMHC; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Mr. George Gulas, Assistant Treasurer of Edward Elmhurst, was present and ready to speak on behalf of the project.

Mr. Gulas thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mr. Gulas.

**Item 4:** Item 4 is a request for 501(c)(3) Revenue Bond financing.

Memorial Health System is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Forty Million Dollars (\$140,000,000) (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 2014A (Memorial Health System) (the “Series 2014 Bonds”) (provided that if the Authority shall also authorize the issuance of another series of revenue bonds to benefit the Borrower or its affiliates in 2014 for purposes related to the Financing Purposes defined below, the combined principal amount of all such revenue bonds, including the Series 2014 Bonds, shall not exceed \$140,000,000 in the aggregate. This project is being presented for one-time consideration.

Bond proceeds of the Series 2014 Bonds will be used by Memorial Medical Center (the “Borrower”) to do any or all of the following: (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Act) for the Borrower’s acute care hospital located in Springfield, Illinois; (ii) establish a debt service reserve fund with respect to the Series 2014 Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Mr. Paul Sorce, Treasury Manager of Memorial Health System, was present and ready to speak on behalf of the project.

Mr. Sorce thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mr. Sorce.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects: Items 3 and 4.



Leave was granted.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

Chairman Brandt directed Executive Director Meister to present Item 11.

Executive Director Meister presented the following resolution:

***Resolutions***

**Item 11:** Item 11 is a Resolution of Recognition and Appreciation to Board Member Dr. William Barclay.

The Governor appointed Dr. William Barclay as a Board Member of the Authority on June 12, 2007 and Dr. Barclay has served with distinction as a Board Member since the date on which he was appointed.

During his tenure, Dr. Barclay brought his many talents to the Authority and was very involved in all sectors of the Authority's business. Dr. Barclay was particularly interested in healthcare and minority participation in financings. Under Dr. Barclay's leadership, minority participation in the underwriting group on major financings increased geometrically.

Dr. William Barclay is commended for his service to the Authority and to the people of the state of Illinois and as a result of his dedicated service he has the gratitude of the Members of the Authority and the Authority staff for his fine work and leadership.

Chairman Brandt moved for the adoption of the following resolution: Item 11.

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 9 Yeas; 0 Nays; 1 Answering Present (Barclay).

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted

Member Barclay thanked the Members of the Board for their generosity.

**VI. Other Business**

None.

**VII. Public Comment**

None.

**VIII. Adjournment**

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the regular meeting of the Board in January will be held on January 14, 2013.

At the time of 10:57 a.m., Member Pedersen moved that the Board do now adjourn until January 14, 2013, at 10:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:  
Brad R. Fletcher  
Assistant Secretary of the Board

## Financial Analysis

January 31, 2014

### I. REVENUE

#### *Year-To-Date Highlights*

Total Revenue for the fiscal year beginning July 1, 2013 is \$2,507,492. This amount is \$15,113 or .6% unfavorable to budget due to slightly lower than budgeted revenues across all categories.

#### *Monthly Highlights*

Total Revenue for January 2014 was \$215,764, which was negative to budget by \$209,970 or 49.32%. Major revenue drivers for January 2014 included Investment Interest (from locally held funds) and Administration & Application Fees (fees on bond closings), all of which were below budget due to lower transaction volume and the low interest rate environment. The Authority closed one (1) transaction in addition to an administration fee for securing a Host TEFRA in January 2014 which generated total Administration and Closing Fees of \$89,012. The Illinois Finance Authority (the "Authority") also recognized Miscellaneous Income of \$70,818 received in February 2013 as part of multistate settlement agreements reached by the Office of the Illinois Attorney General with (i) Wells Fargo Bank N.A. for the activities of the former Wachovia Bank N.A. and (ii) GE Funding Capital Market Services, Inc. ("GE Funding").

### II. EXPENSES

#### *Year-To-Date Highlights*

Total Expenses for the fiscal year beginning July 1, 2013 are \$2,057,906. This amount is \$311,199 or 13.1% favorable to budget, reflecting lower than budgeted expenses across all expense categories.

#### *Monthly Highlights*

Total Expenses for January 2014 were \$272,946, which was 19.3% or \$65,497 below budget. The primary drivers for January's better than budgeted expense performance were Employee Related Expenses and Professional Services reflecting delayed staffing, as well as lower legal and consulting expenses.

### III. NET INCOME

#### *Year-To-Date Highlights*

Net Income for the fiscal year beginning July 1, 2013 is \$437,484 or \$283,980 or 185% better than budget. In July 2013 a conservative budget was adopted with only \$75,370 projected of Net Income.

#### *Monthly Highlights*

The Authority ended the month of January 2014 with a Net loss of \$69,288 due to less transaction volume and the low interest rate environment

#### *Note:*

In January 2014 the Authority started utilizing the contracted investment firms (Ziegler Lotsoff Capital Management, LLC and Clear Arc Capital Inc.) selected pursuant to the Authority's July 2013 procurement power. The Authority transferred \$41.0 million (locally held funds) to the investment firms for managing. In January 2014 the Authority purchased short-term securities for a total of \$4.0 million, consistent with the Authority's investment policy and statutory mandates.

Under the Clean Water Initiative one of these firms will be managing the Equity fund per the Intergovernmental Agreement with the Illinois Environmental Protection Agency ("IEPA").

On January 29, 2014, the financial audit report was released by the Office of the Auditor General.

**ILLINOIS FINANCE AUTHORITY  
STATEMENT OF ACTIVITIES  
General Fund**

**For Period Ending, January 31, 2014**

|   | CURRENT MONTH |                    |          |                        |          | YEAR TO DATE |                    |         |                        |          |
|---|---------------|--------------------|----------|------------------------|----------|--------------|--------------------|---------|------------------------|----------|
|   | Actual        | Variance to Budget |          | Variance to Prior Year |          | Actual       | Variance to Budget |         | Variance to Prior Year |          |
|   | \$            | \$                 | %        | \$                     | %        | \$           | \$                 | %       | \$                     | %        |
| REVENUE   |               |                    |          |                        |          |              |                    |         |                        |          |
| INTEREST ON LOANS                               | 9,848         | (3,581)            | -26.67%  | (7,250)                | -42.40%  | 81,021       | (12,982)           | -13.81% | (55,950)               | -40.85%  |
| INVESTMENT INTEREST & GAIN/(LOSS)               | 6,369         | (10,298)           | -61.79%  | 3,581                  | 128.44%  | 11,305       | (105,364)          | -90.31% | (20,616)               | -64.58%  |
| ADMINISTRATIONS & APPLICATION FEES              | 82,012        | (302,197)          | -78.65%  | (110,998)              | -57.51%  | 2,047,015    | (184,915)          | -8.28%  | (540,764)              | -20.90%  |
| ANNUAL ISSUANCE & LOAN FEES                     | 42,182        | 36,053             | 588.24%  | 11,777                 | 38.73%   | 240,149      | 197,246            | 459.75% | 35,603                 | 17.41%   |
| OTHER INCOME                                    | 75,353        | 70,053             | 1321.75% | (50,144)               | -39.96%  | 128,002      | 90,902             | 245.02% | (259,111)              | -66.93%  |
| TOTAL REVENUE                                   | 215,764       | (209,970)          | -49.32%  | (153,034)              | -41.50%  | 2,507,492    | (15,113)           | -0.60%  | (840,838)              | -25.11%  |
| EXPENSES  |               |                    |          |                        |          |              |                    |         |                        |          |
| EMPLOYEE RELATED EXPENSES                       |               |                    |          |                        |          |              |                    |         |                        |          |
| COMPENSATION & TAXES                            | 135,894       | (6,687)            | -4.69%   | 937                    | 0.69%    | 892,916      | (105,151)          | -10.54% | 91,323                 | 11.39%   |
| BENEFITS  | 18,361        | (4,350)            | -19.15%  | (6,236)                | -25.35%  | 110,807      | (48,170)           | -30.30% | (32,923)               | -22.91%  |
| EDUCATION & DEVELOPMENT                         | -             | (500)              | -100.00% | -                      | 0.00%    | 10,652       | 7,152              | 204.34% | 10,057                 | 1690.25% |
| TRAVEL & AUTO                                   | 236           | (4,347)            | -94.85%  | (3,737)                | -94.06%  | 20,678       | (11,403)           | -35.54% | (7,864)                | -27.55%  |
| TOTAL EMPLOYEE RELATED EXPENSES                 | 154,491       | (15,884)           | -9.32%   | 100                    | 0.07%    | 1,035,053    | (157,572)          | -13.86% | 60,593                 | 6.22%    |
| PROFESSIONAL SERVICES                           |               |                    |          |                        |          |              |                    |         |                        |          |
| CONSULTING, LEGAL & ADMIN                       | 18,150        | (23,517)           | -56.44%  | (19,377)               | -51.63%  | 229,764      | (61,905)           | -21.22% | (124,155)              | -35.08%  |
| LOAN EXPENSE & BANK FEE                         | 8,615         | 281                | 3.37%    | 635                    | 7.96%    | 53,744       | (4,594)            | -7.87%  | (2,258)                | -4.03%   |
| ACCOUNTING & AUDITING                           | 25,356        | (478)              | -1.85%   | (1,861)                | -6.84%   | 147,498      | (33,340)           | -18.44% | (46,235)               | -23.87%  |
| MARKETING GENERAL                               | -             | (833)              | -100.00% | (69)                   | -100.00% | 2,022        | (3,809)            | -65.32% | (435)                  | -17.70%  |
| FINANCIAL ADVISORY                              | 3,894         | (4,439)            | -53.27%  | (4,822)                | -55.32%  | 76,121       | 17,790             | 30.50%  | (18,154)               | -19.26%  |
| CONFERENCE/TRAINING                             | -             | (2,083)            | -100.00% | (1,495)                | -100.00% | 6,255        | (8,326)            | -57.10% | (4,260)                | -40.51%  |
| MISCELLANEOUS PROFESSIONAL SERVICES             | 2,916         | (3,751)            | -56.26%  | (3,334)                | -53.34%  | 76,289       | 29,620             | 63.47%  | 3,868                  | 5.34%    |
| DATA PROCESSING                                 | 5,531         | (8,636)            | -60.96%  | 113                    | 2.09%    | 34,923       | (64,246)           | -64.78% | 7,018                  | 25.15%   |
| TOTAL PROFESSIONAL SERVICES                     | 64,462        | (43,456)           | -40.27%  | (30,210)               | -31.91%  | 626,616      | (128,810)          | -17.05% | (184,611)              | -22.76%  |
| OCCUPANCY COSTS                                 |               |                    |          |                        |          |              |                    |         |                        |          |
| OFFICE RENT                                     | 22,038        | 371                | 1.71%    | 637                    | 2.98%    | 142,134      | (9,535)            | -6.29%  | 3,003                  | 2.16%    |
| EQUIPMENT RENTAL AND PURCHASES                  | 908           | (342)              | -27.36%  | (150)                  | -14.18%  | 10,793       | 2,043              | 23.35%  | 2,457                  | 29.47%   |
| TELECOMMUNICATIONS                              | 2,739         | (178)              | -6.10%   | (359)                  | -11.59%  | 19,161       | (1,258)            | -6.16%  | (275)                  | -1.41%   |
| UTILITIES                                       | 560           | (440)              | -44.00%  | (318)                  | -36.22%  | 5,385        | (1,615)            | -23.07% | (1,252)                | -18.86%  |
| DEPRECIATION                                    | 3,845         | 53                 | 1.40%    | (218)                  | -5.37%   | 26,484       | (60)               | -0.23%  | (1,652)                | -5.87%   |
| INSURANCE                                       | 505           | (1,578)            | -75.76%  | (1,448)                | -74.14%  | 3,535        | (11,046)           | -75.76% | (10,133)               | -74.14%  |
| TOTAL OCCUPANCY COSTS                           | 30,595        | (2,114)            | -6.46%   | (1,856)                | -5.72%   | 207,492      | (21,471)           | -9.38%  | (7,852)                | -3.65%   |
| GENERAL & ADMINISTRATION                        |               |                    |          |                        |          |              |                    |         |                        |          |
| OFFICE SUPPLIES                                 | 1,677         | (1,306)            | -43.78%  | (1,911)                | -53.26%  | 17,070       | (3,811)            | -18.25% | (5,226)                | -23.44%  |
| BOARD MEETING - EXPENSES                        | 1,039         | (1,461)            | -58.44%  | (1,615)                | -60.85%  | 13,904       | (3,596)            | -20.55% | (3,040)                | -17.94%  |
| PRINTING  | 88            | (579)              | -86.81%  | (443)                  | -83.43%  | 2,905        | (1,764)            | -37.78% | (921)                  | -24.07%  |
| POSTAGE & FREIGHT                               | 415           | (835)              | -66.80%  | (1,267)                | -75.33%  | 5,657        | (3,093)            | -35.35% | (4,401)                | -43.76%  |
| MEMBERSHIP, DUES & CONTRIBUTIONS                | 445           | (2,055)            | -82.20%  | 20                     | 4.71%    | 12,735       | (4,765)            | -27.23% | (10,697)               | -45.65%  |
| PUBLICATIONS                                    | 122           | (86)               | -41.35%  | 37                     | 43.53%   | 531          | (925)              | -63.53% | (115)                  | -17.80%  |
| OFFICERS & DIRECTORS                            |               |                    |          |                        |          |              |                    |         |                        |          |
| INSURANCE                                       | 19,612        | 2,279              | 13.15%   | 3,093                  | 18.72%   | 135,939      | 14,608             | 12.04%  | 21,820                 | 19.12%   |
| TOTAL GENERAL & ADMINISTRATION EXPENSES         | 23,398        | (4,043)            | -14.73%  | (2,086)                | -8.19%   | 188,741      | (3,346)            | -1.74%  | (2,580)                | -1.35%   |
| LOAN LOSS PROVISION/BAD DEBT                    | -             | -                  | 0.00%    | -                      | 0.00%    | -            | -                  | 0.00%   | -                      | 0.00%    |
| OTHER   | -             | -                  | -        | -                      | -        | -            | -                  | -       | -                      | -        |
| TOTAL EXPENSES                                  | 272,946       | (65,497)           | -19.35%  | (43,188)               | -13.66%  | 2,057,902    | (311,199)          | -13.14% | (134,450)              | -6.13%   |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) | (57,182)      | (144,473)          | -165.51% | (109,846)              | -208.58% | 449,590      | 296,086            | 192.88% | (706,388)              | -61.11%  |
| NET UNREALIZED/GAIN/(LOSS) ON INVESTMENT        | (12,106)      | -                  | 0.00%    | (12,106)               | 0.00%    | (12,106)     | (12,106)           | 0.00%   | (12,106)               | 0.00%    |
| TRANSFERS                                       | -             | -                  | 0.00%    | (60,121)               | -100.00% | -            | -                  | 0.00%   | (386,774)              | -100.00% |
| NET INCOME/(LOSS)                               | (69,288)      | (156,579)          | -179.38% | (182,073)              | -161.43% | 437,484      | 283,980            | 185.00% | (1,105,268)            | -71.64%  |

**ILLINOIS FINANCE AUTHORITY**  
**General Fund**  
**Balance Sheet [unaudited]**  
**For the Month Ended January 31, 2014**

|   | January<br>2014 | January<br>2013 |
|---|-----------------|-----------------|
| <b>ASSETS</b>                                 |                 |                 |
| CASH UNRESTRICTED                             | \$ 42,286,642   | \$ 43,483,857   |
| INVESTMENTS, UNRESTRICTED                     | 4,048,928       | -               |
| RECEIVABLES, NET                              | 153,871         | 184,963         |
| LOAN RECEIVABLE, NET                          | 3,263,493       | 5,309,839       |
| OTHER RECEIVABLES                             | 466,038         | 64,302          |
| PREPAID EXPENSES                              | 142,059         | 136,891         |
|   | 50,361,031      | 49,179,851      |
| <br>  |                 |                 |
| FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION | 90,138          | 130,197         |
| DEFERRED ISSUANCE COSTS                       | 188,085         | 221,487         |
| <br>  |                 |                 |
| OTHER ASSETS                                  |                 |                 |
| CASH RESTRICTED, INVESTMENTS & RESERVES       | 3               | 875,444         |
| OTHER   | -               | -               |
|   | 3               | 875,444         |
| <br>  |                 |                 |
| TOTAL ASSETS                                  | \$ 50,639,258   | \$ 50,406,978   |
| <br><b>LIABILITIES</b>                        |                 |                 |
| CURRENT LIABILITIES                           | \$ 614,741      | \$ 812,797      |
| LONG-TERM LIABILITIES                         | 275,363         | 327,834         |
|   | 890,105         | 1,140,631       |
| <br>  |                 |                 |
| EQUITY  |                 |                 |
| CONTRIBUTED CAPITAL                           | 4,111,479       | 4,111,479       |
| RETAINED EARNINGS                             | 33,228,893      | 31,640,819      |
| NET INCOME / (LOSS)                           | 437,484         | 1,542,751       |
| RESERVED/RESTRICTED FUND BALANCE              | 1,732,164       | 1,732,164       |
| UNRESERVED FUND BALANCE                       | 10,239,134      | 10,239,134      |
|   | 49,749,153      | 49,266,347      |
| <br>  |                 |                 |
| TOTAL LIABILITIES & EQUITY                    | \$ 50,639,258   | \$ 50,406,978   |

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Lorrie Karcher  
Date: February 11, 2014  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$509,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$802,344**
- **Calendar Year Summary:** (as of February 11, 2014)
  - Volume Cap: TBD
  - Volume Cap Committed: \$802,344
  - Volume Cap Remaining: TBD
  - Average Farm Acreage: 42
  - Number of Farms Financed: 4
  - Note: also have projects totaling \$431,245 induced in 2013 that could potentially close in CY2014
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2014 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **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
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**  
Stephen F. Welcome, Esq.  
Three First National Plaza, Suite 4300  
Chicago, IL 60602

**A. Project Number:** **A-FB-TE-CD-8665**  
**Borrower(s):** **Ifft, Derek P.**  
Borrower Benefit: First Time Land Buyer  
Town: Piper City, IL  
**IFA Bond Amount:** **\$100,000**  
Use of Funds: Farmland – 10 acres of farmland  
Purchase Price: \$125,000 / (\$12,500 per ac)  
%Borrower Equity 20%  
%IFA 80%  
%Other 0%  
Township: Pella  
Counties/Regions: Ford / East Central  
Lender/Bond Purchaser: Bank of Pontiac / Brad Brown  
**Legislative Districts:** Congressional: 16  
State Senate: 53  
State House: 106

Principal shall be paid annually in installments determined pursuant to a twenty (20) year amortization schedule, with the first principal payment date to begin on March 1, 2015. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 1, 2015 with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

**B. Project Number:** **A-FB-TE-CD-8666**  
**Borrower(s):** **Ochs, Philip Ryan & Rebecca Ellen**  
Borrower Benefit: First Time Land Buyer  
Town: Newton, IL  
**IFA Bond Amount:** **\$237,344**  
Use of Funds: Farmland – 75.95 acres of farmland  
Purchase Price: \$474,688 / (\$6,250 per ac)  
%Borrower Equity 5%  
% USDA Farm Service Agency 45% (*Subordinate Financing*)  
%IFA 50%  
Townships: Wade and Fox  
Counties/Regions: Jasper / Southeastern  
Lender/Bond Purchaser: Peoples State Bank of Newton / Brian Bohnhoff  
**Legislative Districts:** Congressional: 15  
State Senate: 55  
State House: 109

Principal shall be paid annually in installments determined pursuant to a thirty (30) year amortization schedule, with the first principal payment date to begin on April 1, 2015. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on April 1, 2015 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**C. Project Number:** **A-FB-TE-CD-8669**  
**Borrower(s):** **Spurlock, Levi M.**  
Borrower Benefit: First Time Land Buyer  
Town: Bluford, IL  
**IFA Bond Amount:** **\$140,000**  
Use of Funds: Farmland – 40 acres of farmland  
Purchase Price: \$140,000 / (\$3,500 per ac)  
%Borrower Equity 0%  
%IFA 100%  
%Other 0%  
Township: Farrington  
Counties/Regions: Jefferson / Southern  
Lender/Bond Purchaser: Fairfield National Bank / Heath Houchin  
**Legislative Districts:** Congressional: 12  
State Senate: 58  
State House: 115

Principal and interest shall be paid annually in twenty (20) equal installments of \$8,088.78 each, pursuant to a twenty year amortization schedule, with the first payment date to be one year from the date hereof and successive payment dates to be at one year intervals thereafter, with the twentieth and final payment of all principal and interest then outstanding due twenty years from the date hereof.

**D. Project Number:** **A-FB-TE-CD-8670**  
**Borrower(s):** **Quade, Mark L.**  
Borrower Benefit: First Time Land Buyer  
Town: Edgewood, IL  
**IFA Bond Amount:** **\$325,000**  
Use of Funds: Farmland – 49.75 acres of farmland  
Purchase Price: \$350,000 / (\$7,035 per ac)  
%Borrower Equity 7.14%  
%IFA 92.86%  
%Other 0%  
Townships: West  
Counties/Regions: Effingham / Southeastern  
Lender/Bond Purchaser: First Mid Illinois Bank & Trust / Doug Kopplin  
**Legislative Districts:** Congressional: 15  
State Senate: 54  
State House: 107

Principal shall be paid annually in installments determined pursuant to a thirty (30) year amortization schedule, with the first principal payment date to begin on February 1, 2015. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2015 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.



February 11, 2014

**\$8,860,000**  
**North American Spine Society**

|                          |  |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
|--------------------------|--|--------------------------|-----------------------------|--------------|--------------------|-----------|--------------------|--------------------------|-----------------------------|--------------|---------------------------|--------------|---------------------------|
| <b>REQUEST</b>           | <p><b>Purpose:</b> Bond proceeds will be used by <b>North American Spine Society</b> (“NASS”, the “<b>Corporation</b>” or the “<b>Borrower</b>”) to (i) refund the outstanding Illinois Finance Authority Variable Rate Demand Revenue Bonds (North American Spine Society Project) Series 2007 (the “Prior Bonds”) and (ii) if desirable, pay certain costs and expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Refunding Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p> |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>BOARD ACTIONS</b>     | Final Bond Resolution ( <i>One-time consideration</i> )  |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>MATERIAL CHANGES</b>  | None. This is the first time this project has been presented to the IFA Board of Directors.  |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>JOB DATA</b>          | <table border="0"> <tr> <td>56</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>56</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>  | 56                       | Current jobs                | N/A          | New jobs projected | 56        | Retained jobs      | N/A                      | Construction jobs projected |              |                           |              |                           |
| 56                       | Current jobs   | N/A                      | New jobs projected          |              |                    |           |                    |                          |                             |              |                           |              |                           |
| 56                       | Retained jobs  | N/A                      | Construction jobs projected |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>DESCRIPTION</b>       | <ul style="list-style-type: none"> <li>• Locations: (Burr Ridge/DuPage County/ Northeast Region)</li> <li>• The North American Spine Society is in Burr Ridge, Illinois and was established in November 1995 as a 501(c)(3) corporation. The purpose of NASS is to improve the quality of scientific knowledge and the pursuit of excellence in patient care, clinical practice and related sciences among professionals in the field of spinal disorders. NASS has been in its current location since 2007.</li> </ul>  |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>SECURITY</b>          | <ul style="list-style-type: none"> <li>• The Bonds will be secured by a mortgage on the Burr Ridge facility</li> </ul>   |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>CREDIT INDICATORS</b> | <ul style="list-style-type: none"> <li>• The Bonds will mature no later than 2021</li> </ul>   |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>STRUCTURE</b>         | <ul style="list-style-type: none"> <li>• The plan of finance contemplates variable rate bonds purchased directly by BMO Harris Bank N.A.</li> </ul>  |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>SOURCES AND USES</b>  | <table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align: right;"><u>\$8,860,000</u></td> <td>Refund 2007 Series Bonds</td> <td style="text-align: right;"><u>\$8,860,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$8,860,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$8,860,000</u></b></td> </tr> </table>   | <b>Sources:</b>          |                             | <b>Uses:</b> |                    | IFA Bonds | <u>\$8,860,000</u> | Refund 2007 Series Bonds | <u>\$8,860,000</u>          | <b>Total</b> | <b><u>\$8,860,000</u></b> | <b>Total</b> | <b><u>\$8,860,000</u></b> |
| <b>Sources:</b>          |  | <b>Uses:</b>             |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |
| IFA Bonds                | <u>\$8,860,000</u>   | Refund 2007 Series Bonds | <u>\$8,860,000</u>          |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>Total</b>             | <b><u>\$8,860,000</u></b>  | <b>Total</b>             | <b><u>\$8,860,000</u></b>   |              |                    |           |                    |                          |                             |              |                           |              |                           |
| <b>RECOMMENDATION</b>    | Credit Review Committee recommends approval.   |                          |                             |              |                    |           |                    |                          |                             |              |                           |              |                           |

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
February 11, 2014**

**Project: North American Spine Society**

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**STATISTICS**

|                 |                                   |                |                             |
|-----------------|-----------------------------------|----------------|-----------------------------|
| Project Number: | N-NP-TE-CD-8672                   | Amount:        | \$8,860,000 (Not-to-Exceed) |
| Type:           | 501(c)(3) Revenue Refunding Bonds | IFA Staff:     | Pam Lenane and Nora O'Brien |
| City:           | Burr Ridge                        | County/Region: | DuPage/Northeast            |

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**BOARD ACTION**

|  |                             |
|--|-----------------------------|
| Final Bond Resolution (One-time consideration) | No IFA Funds at Risk        |
| Conduit 501(c)(3) Bonds                        | No Extraordinary Conditions |
| Credit Review Committee recommends approval    |                             |

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**VOTING RECORD**

This is the first time this project is being presented to the IFA Board of Directors.

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**PURPOSE**

Bond proceeds will be used by **North American Spine Society** (“NASS”, the “**Corporation**” or the “**Borrower**”) to (i) refund the outstanding Illinois Finance Authority Variable Rate Demand Revenue Bonds (North American Spine Society Project) Series 2007 (the “Prior Bonds”) and (ii) if desirable, pay certain costs and expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

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**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and refinance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

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**VOLUME CAP**

501(c)(3) bond issues do not require Volume Cap.

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**JOBS**

|                     |    |                     |     |
|---------------------|----|---------------------|-----|
| Current employment: | 56 | Projected new jobs: | N/A |
|                     |    | Construction jobs:  | N/A |

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**ESTIMATED SOURCES AND USES OF FUNDS**

|                 |                           |                          |                           |
|-----------------|---------------------------|--------------------------|---------------------------|
| <b>Sources:</b> |                           | <b>Uses:</b>             |                           |
| IFA Bonds       | <u>\$8,860,000</u>        | Refund 2007 Series Bonds | <u>\$8,860,000</u>        |
| <b>Total</b>    | <b><u>\$8,860,000</u></b> | <b>Total</b>             | <b><u>\$8,860,000</u></b> |

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**FINANCING SUMMARY**

|                         |   |
|-------------------------|---|
| Security:               | The Bonds will be secured with a mortgage on the Burr Ridge facility.   |
| Structure:              | The plan of finance contemplates the issuance of variable rate bonds purchase directly by BMO Harris Bank N.A.        |
| Interest Rate:          | Variable rate with a weekly reset   |
| Credit Enhancement:     | None  |
| Maturity:               | No later than 2021.   |
| Underlying Rating:      | None. The Bonds will not be rated and will be purchased by BMO Harris Bank N.A. (The Borrower is not a rated entity.) |
| Estimated Closing Date: | February 2014   |

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**PROJECT SUMMARY**

Bond proceeds will be used by **North American Spine Society** (“NASS”, the “**Corporation**” or the “**Borrower**”) to (i) refund the outstanding Illinois Finance Authority Variable Rate Demand Revenue Bonds (North American Spine Society Project) Series 2007 (the “Prior Bonds”) and (ii) if desirable, pay certain costs and expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

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**BUSINESS SUMMARY**

The North American Spine Society is in Burr Ridge, Illinois and was established in November 1995 as a 501(c)(3) corporation. The purpose of NASS is to improve the quality of scientific knowledge and the pursuit of excellence in patient care, clinical practice and related sciences among professionals in the field of spinal disorders. NASS has been in its current location since 2007.

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**ECONOMIC DISCLOSURE STATEMENT**

|               |   |
|---------------|---|
| Applicant:    | North American Spine Society                      |
| Location:     | 7075 Veterans Blvd.<br>Burr Ridge, Illinois 60527 |
| Project name: | North American Spine Society                      |
| Organization: | 501(c)(3) Not-for-Profit Corporation              |
| State:        | Illinois  |
| Contact:      | Eric Muehlbauer, Executive Director               |

Board of Directors:

William Watters III, MD  
Charles Mick, MD  
Daniel Resnick, MD  
Joseph Cheng, MD  
John Finkenberg, MD  
David O'Brien, MD  
Mitchell Harris, MD

Heidi Prather, DO  
Jeffrey Wang, MD  
Charles Reitman, MD  
William Mitchell, MD  
Thomas Mroz, MD  
Eric Truumees, MD  
Eric Muehlbauer

Christopher Bono, MD  
F. Todd Wetzel, MD  
Zoher Ghogawala, MD  
Christopher, Kauffman, MD  
Raj Rao, MD  
Jerome Schofferman, MD

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**PROFESSIONAL & FINANCIAL**

|                        |                                   |         |                  |
|------------------------|-----------------------------------|---------|------------------|
| Borrower's Counsel:    | Meltzer, Purtil & Stelle          | Chicago | Laura C. Pieper  |
| Bond Counsel:          | Ungaretti & Harris                | Chicago | Julie Seymour    |
| Bank:                  | BMO Harris Bank, N.A.             | Chicago | Regina Ward      |
| Banks's Counsel:       | Chapman & Cutler                  | Chicago | Carol Thompson   |
| IFA Financial Advisor: | Public Financial Management, Inc. | Chicago | Shannon Williams |
| Issuer's Counsel:      | Sanchez Daniels & Hoffman LLP     | Chicago | Heather Erickson |

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**LEGISLATIVE DISTRICTS**

|                |    |
|----------------|----|
| Congressional: | 11 |
| State Senate:  | 41 |
| State House:   | 82 |

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February 11, 2014

**\$193,000,000**  
**Centegra Health System**

|                          |  |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
|--------------------------|--|------------------------------|-----------------------------|--------------|--------------------|-----------|----------------------|-----------------------------|-----------------------------|--|--|------------------------------|--------------|--|--|------------------------------|--------------------|--------------|-----------------------------|--------------|-----------------------------|
| <b>REQUEST</b>           | <p><b>Purpose:</b> Bond proceeds will be used by <b>Centegra Health System</b> (“<b>Centegra</b>”, or the “<b>Borrower</b>”) to: (i) pay or reimburse one or more of the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Act), including, but not limited to, the construction and equipping of an approximately 384,000-square foot, 128-bed acute care hospital facility expected to be owned, operated and managed by Centegra Hospital – Huntley; (ii) provide working capital to one or more of the Borrowers, if deemed necessary or advisable by the Borrowers or the Authority; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrowers or the Authority; (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Borrowers or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p> |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>BOARD ACTIONS</b>     | Preliminary Bond Resolution  |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>MATERIAL CHANGES</b>  | None. This is the first time this project has been presented to the IFA Board of Directors.  |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>JOB DATA</b>          | <table border="0"> <tr> <td>N/A</td> <td>Current jobs</td> <td>1,100</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>800</td> <td>Construction jobs projected</td> </tr> </table>  | N/A                          | Current jobs                | 1,100        | New jobs projected | N/A       | Retained jobs        | 800                         | Construction jobs projected |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| N/A                      | Current jobs   | 1,100                        | New jobs projected          |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| N/A                      | Retained jobs  | 800                          | Construction jobs projected |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>DESCRIPTION</b>       | <ul style="list-style-type: none"> <li>• Locations: The new Centegra Hospital- Huntley will be located in Huntley, Illinois. Centegra Health System also has hospitals in McHenry and Woodstock.</li> <li>• Centegra Hospital-Huntley will be located in southern McHenry County to meet the existing bed need, as determined by the Illinois Department of Public Health and the Illinois Health Facilities and Services Review Board in their “Revised Bed Need Determinations” to the “Inventory of Health Care Facilities and Services and Need Determinations,” as well as the anticipated increase in Medical/Surgical bed need that will occur between 2015 (the year for which the “Revised Bed Need Determinations” is made) and the hospital’s second full year of operation (July, 2017 – June, 2018). The new hospital is proposed to have a total of 128 authorized beds: 100 Medical/Surgical beds; 8 Intensive Care beds; and 20 Obstetrical beds.</li> </ul>   |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>SECURITY</b>          | <ul style="list-style-type: none"> <li>• Centegra Health System is currently rated “BBB+“ Stable by Standard &amp; Poor’s (affirmed on 1/22/14); and rated “A-“ Negative by Fitch (affirmed on 10/21/13)</li> </ul>  |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>CREDIT INDICATORS</b> | <ul style="list-style-type: none"> <li>• The plan of finance contemplates the issuance of tax-exempt Bonds in an aggregate amount not to exceed \$203,000,000 under a Master Financing Agreement</li> </ul>  |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>STRUCTURE</b>         | <ul style="list-style-type: none"> <li>• A combination of modes and structures, including Fixed Rate Debt is anticipated (with flexibility to issue in different modes, as variable or fixed rate or a combination of both, either publicly or by private placement (including one or more bank purchases), all dependent based on an evaluation of prevailing market conditions).</li> </ul>  |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>SOURCES AND USES</b>  | <table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$193,000,000</u></td> <td>Centegra Hospital – Huntley</td> <td>\$180,650,000</td> </tr> <tr> <td></td> <td></td> <td>Routine capital expenditures</td> <td>\$10,000,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance (estimated)</td> <td><u>\$2,350,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$193,000,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$193,000,000</u></b></td> </tr> </table>   | <b>Sources:</b>              |                             | <b>Uses:</b> |                    | IFA Bonds | <u>\$193,000,000</u> | Centegra Hospital – Huntley | \$180,650,000               |  |  | Routine capital expenditures | \$10,000,000 |  |  | Cost of Issuance (estimated) | <u>\$2,350,000</u> | <b>Total</b> | <b><u>\$193,000,000</u></b> | <b>Total</b> | <b><u>\$193,000,000</u></b> |
| <b>Sources:</b>          |  | <b>Uses:</b>                 |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| IFA Bonds                | <u>\$193,000,000</u>   | Centegra Hospital – Huntley  | \$180,650,000               |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
|                          |  | Routine capital expenditures | \$10,000,000                |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
|                          |  | Cost of Issuance (estimated) | <u>\$2,350,000</u>          |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>Total</b>             | <b><u>\$193,000,000</u></b>  | <b>Total</b>                 | <b><u>\$193,000,000</u></b> |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |
| <b>RECOMMENDATION</b>    | Credit Review Committee recommends approval.   |                              |                             |              |                    |           |                      |                             |                             |  |  |                              |              |  |  |                              |                    |              |                             |              |                             |

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 February 11, 2014**

**Project: Centegra Health System**

**STATISTICS**

|                                 |                |                               |
|---------------------------------|----------------|-------------------------------|
| Project Number: H-HO-TE-CD-8671 | Amount:        | \$193,000,000 (not-to-exceed) |
| Type: 501(c)(3) Bonds           | IFA Staff:     | Pam Lenane and Nora O'Brien   |
| City: Huntley                   | County/Region: | McHenry/Northeast             |

**BOARD ACTION**

|   |                             |
|---|-----------------------------|
| Preliminary Bond Resolution                 | No IFA Funds at Risk        |
| Conduit 501(c)(3) Bonds                     | No Extraordinary Conditions |
| Credit Review Committee recommends approval |                             |

**VOTING RECORD**

This is the first time this project is being presented to the IFA Board of Directors.

**PURPOSE**

Bond proceeds will be used by **Centegra Health System** to (i) pay or reimburse one or more of the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Act), including, but not limited to, the construction and equipping of an approximately 384,000-square foot, 128-bed acute care hospital facility expected to be owned, operated and managed by Centegra Hospital – Huntley; (ii) provide working capital to one or more of the Borrowers, if deemed necessary or advisable by the Borrowers or the Authority; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrowers or the Authority; (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Borrowers or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and refinance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

**VOLUME CAP**

501(c)(3) bond issues do not require Volume Cap.

**JOBS**

|                         |                     |       |
|-------------------------|---------------------|-------|
| Current employment: N/A | Projected new jobs: | 1,100 |
|                         | Construction jobs:  | 800   |

**ESTIMATED SOURCES AND USES OF FUNDS**

|                 |                      |                              |                      |
|-----------------|----------------------|------------------------------|----------------------|
| <b>Sources:</b> | <b>Uses:</b>         |                              |                      |
| IFA Bonds       | \$193,000,000        | Centegra Hospital – Huntley  | \$180,650,000        |
|                 |                      | Other Routine Capital        | \$10,000,000         |
|                 |                      | Cost of Issuance (estimated) | \$2,350,000          |
| <b>Total</b>    | <b>\$193,000,000</b> | <b>Total</b>                 | <b>\$193,000,000</b> |

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### FINANCING SUMMARY

|                         |   |
|-------------------------|---|
| Security:               | Revenue Pledge  |
| Structure:              | A combination of modes and structures, including Fixed Rate Debt is anticipated (with flexibility to issue in different modes, as variable or fixed rate or a combination of both, either publicly or by private placement (including one or more bank purchases), all dependent based on an evaluation of prevailing market conditions). |
| Interest Rate:          | To be determined on the day of pricing  |
| Interest Mode:          | Fixed Rate Bonds and/or daily/weekly/annual/multi-annual uninsured Variable Rate Bonds (i.e., multi-modal bonds) and/or one or more private placements (including one or more bank purchases) where interest rate structure may be fixed or variable rate (including tied to an index) or a combination of both.                          |
| Credit Enhancement:     | To be determined  |
| Maturity:               | No later than 2044  |
| Rating:                 | The Series 2014 Bonds will be rated. Centegra Health System is currently rated BBB+ Stable by Standard & Poor's (affirmed on 1/22/14); and rated A- Negative by Fitch (affirmed on 10/21/13)  |
| Estimated Closing Date: | April, 2014   |

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### PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds of the Bonds will be used by Centegra Health System, an Illinois not for profit corporation ("Centegra"), on behalf of itself and Northern Illinois Medical Center (d/b/a Centegra Hospital McHenry), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock), NIMED Corp. and Centegra Hospital – Huntley, each an Illinois not for profit corporation and an affiliate of Centegra (collectively, the "Borrowers") to: (i) pay or reimburse one or more of the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Act), including, but not limited to, the construction and equipping of an approximately 384,000-square foot, 128-bed acute care hospital facility expected to be owned, operated and managed by Centegra Hospital – Huntley; (ii) provide working capital to one or more of the Borrowers, if deemed necessary or advisable by the Borrowers or the Authority; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrowers or the Authority; (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Borrowers or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

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### BUSINESS SUMMARY

Centegra Health System ("Centegra" and /or the "System") is an Illinois not-for-profit corporation that provides health care and other related services to Chicago's far northwestern suburban metropolitan area. Acute inpatient care services are provided at the System's two hospitals, the 166-acute-care-bed Northern Illinois Medical Center ("NIMC") in McHenry, IL, and the 86-acute-care-bed Memorial Medical Center ("MMC") in Woodstock, IL. Centegra is the parent and sole corporate member of NIMC and MMC. In July, 2012, the Illinois Health Facilities and Services Review Board approved the application for the 128-bed Centegra Hospital – Huntley.

In addition to acute inpatient services provided at NIMC and MMC, the System also provides health care services through other affiliates and subsidiary corporations. Such services include thirteen primary care clinics located in McHenry, Kane, and Lake Counties, two health and wellness centers, behavioral health services, rehabilitation and sports medicine, surgery, diabetes care, home health care, cardiac rehabilitation, occupational health, spine center, wound care center, sleep disorders clinic, bariatric, and neurology services.

Centegra Health System includes the following affiliated entities:

- Northern Illinois Medical Center
- Memorial Medical Center
- Centegra Health System Foundation;
- NIMED Corp., a not-for-profit entity that owns real estate, leases office space, and houses joint ventures;
- Health Bridge Corporation and Centegra Health Bridge Fitness Center L.L.C., health and wellness centers;
- Centegra Management Services, Inc., a for-profit general management services company for physician practices;
- Centegra Insurance Services, LTD, a captive insurance plan;
- Centegra Primary Care L.L.C., an operator of various group physician practices with an emphasis on primary care and 82 physicians;
- Centegra Clinical Laboratories, L.L.C., a reference laboratory providing laboratory and pathology services to Centegra Health System and its affiliates;
- Centegra Health & Wellness Network, a clinically integrated health care network encompassing Centegra's independent and employed medical staff, hospitals, and ancillary affiliates.

Only Centegra, NIMC, MMC and NIMED are presently members of the Centegra Health System Obligated Group. The intent is to add Centegra Hospital – Huntley to the Obligated Group in conjunction with this financing.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Centegra Health System  
Location: 4209 West Shamrock Lane  
McHenry, Illinois 60050  
Project name: Centegra Hospital Huntley  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois  
Contact: Eric Zornow, Vice President of Finance and Treasury

Board of Trustees:

|                   |                   |                              |
|-------------------|-------------------|------------------------------|
| Terrence J. Bugno | Angela McAuley    | Spiro Gerolimos – Ex-Officio |
| Tom Carey         | Pat Morehead      | Clare Legursky – Ex-Officio  |
| William Cox       | Christian Newkirk |                              |
| Mike Curran       | Jack Porter       |                              |
| Michael S. Eesley | Kathy Powell      |                              |
| Luke Johnsos      | Charles Ruth      |                              |
| Richard Lind      | Charie Zanck      |                              |
| Michael Luecht    |                   |                              |

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**PROFESSIONAL & FINANCIAL**

|                        |                              |         |                 |
|------------------------|------------------------------|---------|-----------------|
| Borrower's Counsel:    | K&L Gates                    | Chicago | Richard Sevcik  |
| Accountant:            | KPMG LLP                     | Chicago | Darryl Buikema  |
| Financial Advisor:     | Kaufman Hall                 | Skokie  | Eric A. Jordahl |
| Bond Counsel:          | Jones Day                    | Chicago | Mike Mitchell   |
| Underwriter:           | J.P. Morgan Securities       | Chicago | Timothy Wons    |
| Underwriter's Counsel: | Ungaretti & Harris           | Chicago | Ray Fricke      |
| Issuer's Counsel:      | Miller Canfield              | Chicago | Paul Durbin     |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago | Jim Beck        |

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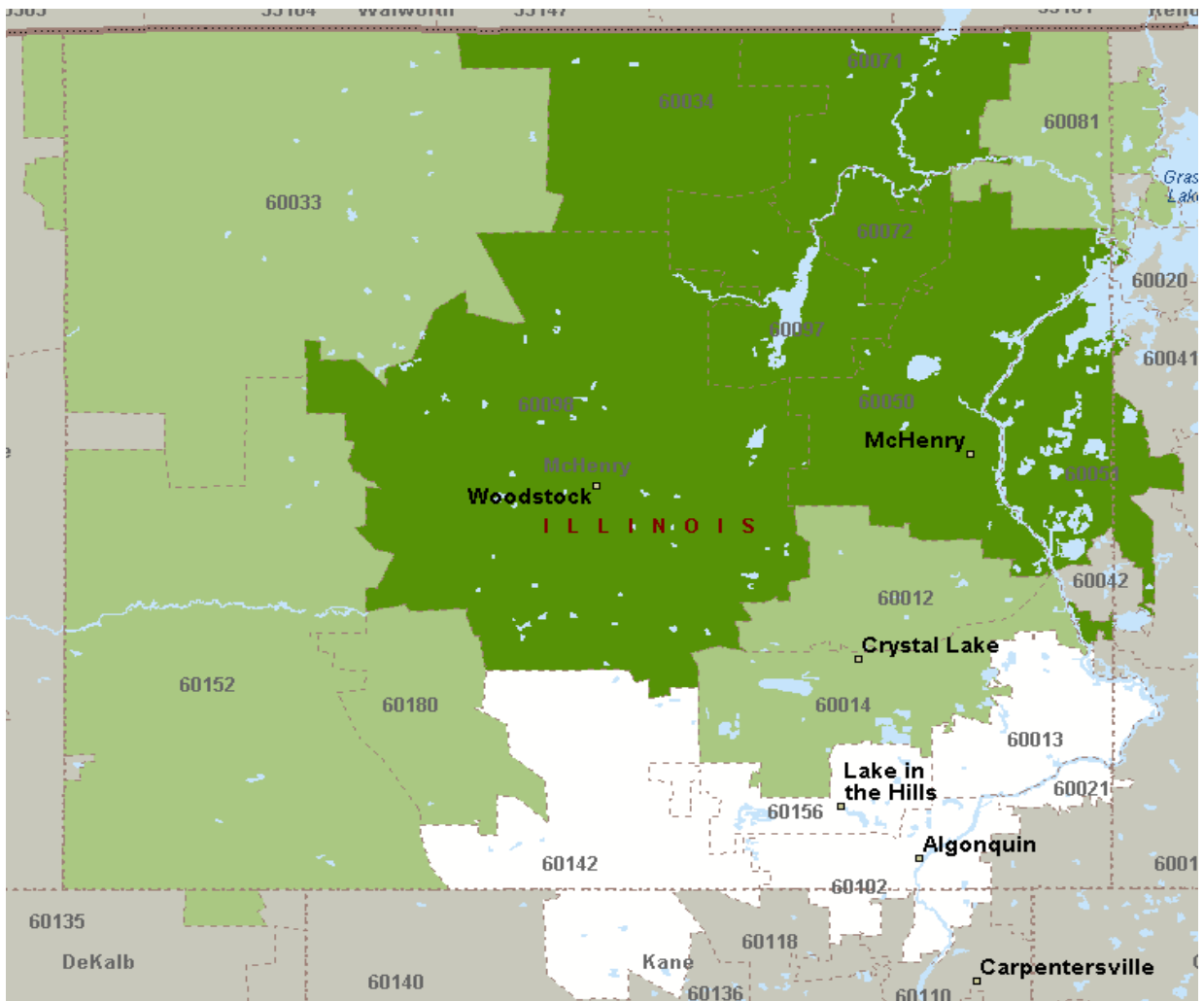
**LEGISLATIVE DISTRICTS**

Congressional: 14  
State Senate: 33  
State House: 66



**SERVICE AREA**

Centegra's total service area includes McHenry County, northern portions of Kane County and the western portion of Lake County.



# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: February 11, 2014

Re: Resolution Providing for the Issuance of Not to Exceed \$11,850,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (IIT Research Institute); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters  
IFA Series 2004 File Number: E-PC-TE-CD-409  
IFA Series 2014 File Number: E-PC-TE-CD-8667

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### Request:

**IIT Research Institute** (the “**Borrower** or “**IITRI**”), an Illinois not for profit corporation, and **North Shore Community Bank & Trust Co.**, a wholly-owned subsidiary of Wintrust Financial Corporation (the “**Bank**” or “**Bond Purchaser**”), are requesting approval of a Resolution to (i) authorize execution and delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and related documents and (ii) approve related matters to effectuate the refinancing of a portion of the outstanding Illinois Finance Authority (“**IFA**”) Adjustable Rate Demand Revenue Bonds, IIT Research Institute, Series 2004 (the “**Series 2004 Bonds**”) by issuing a Revenue Refunding Bond (IIT Research Institute), Series 2014 (the “**Series 2014 Bond**”).

The Series 2004 Bonds are currently secured by a Direct Pay Letter of Credit from JP Morgan Chase Bank, N.A. The original par amount of the Series 2004 Bonds was \$18,820,000. It is anticipated that North Shore Community Bank & Trust Company (Wintrust) will purchase the Series 2014 Bond in an expected amount of \$11,850,000 that will fully fund redemption of the Series 2004 Bonds and potentially pay costs of issuance. This transaction will be considered a reissuance for tax purposes. IFA’s estimated administrative fee will be \$13,700.

### Impact:

The accompanying Resolution will enable IITRI to switch from a Direct Pay LOC secured bond structure to a Bank Direct Purchase bond structure.

### Background:

The proceeds of the Series 2004 Bonds were used to provide funds to (i) finance and reimburse IIT Research Institute for all or a portion of the costs of the acquisition, construction, renovation, improving and equipping of certain facilities of IITRI that constitute “educational facilities” as defined in the Illinois Finance Authority Act (the “**Act**”) (the “**Project**”), (ii) pay a portion of the interest to accrue on the Series 2004 Bonds, (iii) establish a debt service reserve fund for the benefit of the Series 2004 Bonds, and (iv) pay certain costs of issuance, including but not limited to fee for credit enhancement, all as permitted by the Act (and, collectively with the Project, the “**Financing Purposes**”).

All payments relating to the Series 2004 Bonds are current and have been paid as scheduled.

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| <b>PROFESSIONAL &amp; FINANCIAL</b> |  |                |                  |
|-------------------------------------|--|----------------|------------------|
| Borrower's Counsel:                 | Illinois Institute of Technology<br>(in-house counsel) | Chicago, IL    | Anthony D'Amato  |
| Bond Counsel:                       | Chapman & Cutler LLP                                   | Chicago, IL    | Nancy Burke      |
| Bond Purchaser/Bank:                | North Shore Community Bank<br>& Trust Co. (Wintrust)   | Chicago, IL    | Melissa Mancini  |
| Exiting LOC Bank:                   | JP Morgan Chase Bank, N.A.                             | New York, NY   |                  |
| Exiting Remarketing Agt.:           | Fifth Third Securities, Inc.                           | Cincinnati, OH |                  |
| Exiting Trustee:                    | BNY Mellon Trust Company, N.A.                         | Chicago, IL    |                  |
| IFA Counsel:                        | Kutak Rock LLP   | Chicago, IL    | Lance C. Tyson   |
| IFA Financial Advisor:              | Public Financial Management, Inc.                      | Chicago, IL    | Shannon Williams |

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**RESOLUTION NO. 2014-0211-AD\_\_**

A RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$11,850,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2014 (IIT RESEARCH INSTITUTE); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

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 issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "educational facilities" used by "academic institutions" and "private institutions of higher education" (as such terms are defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, the Authority has heretofore issued its Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, IIT Research Institute, Series 2004 (the "Series 2004 Bonds") in the original aggregate principal amount of \$18,820,000, \$11,850,000 of which remain outstanding; and

WHEREAS, the proceeds from the sale of the Series 2004 Bonds were used to (i) finance, refinance or reimburse IIT Research Institute, an Illinois not for profit corporation (the "Corporation"), for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its facilities, (ii) pay a portion of the interest to accrue on the Series 2004 Bonds, (iii) fund a debt service reserve fund for the benefit of the Series 2004 Bonds and (iv) pay certain costs relating to the issuance of the Series 2004 Bonds, including but not limited to fees for credit enhancement for the Series 2004 Bonds, all as permitted by the Act; and

WHEREAS, the Corporation has requested that the Authority issue its Revenue Refunding Bond, Series 2014 (IIT Research Institute) in a principal amount not to exceed \$11,850,000 (the "Series 2014 Bond") and loan the proceeds from the sale thereof to the Corporation pursuant to a Bond and Loan Agreement (the "Bond and Loan Agreement") among the Authority, the Corporation and North Shore

Community Bank & Trust Company (the “Purchaser”), pursuant to which the Purchaser will purchase the Series 2014 Bond from the Authority; and

WHEREAS, the Corporation will apply the proceeds from the sale of the Series 2014 Bond (i) to the refunding and redemption of the Series 2004 Bonds (the “Series 2004 Refunding”), and (ii) if desirable, to pay all or a portion of the costs of issuance of the Series 2014 Bond; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to issue the Series 2014 Bond and loan the proceeds from the sale thereof to the Corporation pursuant to the Bond and Loan Agreement in order to carry out the Series 2004 Refunding and, if desirable, to pay all or a portion of the costs of issuance of the Series 2014 Bond; and

WHEREAS, the Series 2014 Bond and the obligation to pay principal, premium, if any, and interest thereon are special, limited obligations of the Authority, payable solely out of the revenues and income derived from the Bond and Loan Agreement; the Series 2014 Bond and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness, a general or moral obligation, or a pledge of the full faith and credit of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the Purchaser nor any future owner of the Series 2014 Bond shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal or purchase price of, premium, if any, or interest on the Series 2014 Bond; and

WHEREAS, in connection therewith, the Corporation and the Purchaser will execute and deliver an Additional Covenant Agreement (the “Covenant Agreement”) containing certain additional covenants to be made by the Corporation to the Purchaser; and

WHEREAS, in connection with the issuance of the Series 2014 Bond, it is now necessary and proper to authorize the execution and delivery of the Bond and Loan Agreement and a Tax Exemption Certificate and Agreement (the “Tax Agreement” and, collectively with the Bond and Loan Agreement, the “Authority Documents”) between the Authority and the Corporation; and

WHEREAS, the Authority has caused to be prepared and presented to its members a form of the Bond and Loan Agreement, including the form of Series 2014 Bond attached thereto as Exhibit A;

NOW, THEREFORE, Be It Resolved by the members of the Illinois Finance Authority as follows:

*Section 1. Recitals.* That the foregoing recitals are incorporated in and made a part of this Resolution by this reference.

*Section 2. Approval of Financing.* That issuance of the Series 2014 Bond and the use of the proceeds from the sale thereof to carry out the Series 2004 Refunding and, if desirable, to pay all or a portion of the costs of issuance of the Series 2014 Bond in accordance with the terms of the Bond and Loan Agreement is hereby authorized and approved and is in furtherance of the public purposes set forth in the Act.

*Section 3. Series 2014 Bond.* That, in order to provide funds to carry out the Series 2004 Refunding and, if desirable, to pay all or a portion of the costs of issuance of the Series 2014 Bond, the Authority hereby authorizes and approves the issuance of the Series 2014 Bond in a principal amount not to exceed \$11,850,000, to be designated the “Illinois Finance Authority Revenue Refunding Bond, Series 2014 (IIT Research Institute)”; that the form of Series 2014 Bond now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond and Loan Agreement be, and the same hereby is, approved; that the Series 2014 Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman or Vice Chairman (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, the Vice Chairman or any other officer of the Authority shall cause the Series 2014 Bond, as so executed and attested, to be delivered to the Purchaser, as bond registrar under the Bond and Loan Agreement, for authentication; and that when the Series 2014 Bond is executed on behalf of the Authority in the manner contemplated by the Bond and Loan Agreement and this Resolution, it shall represent the approved form of the Series 2014 Bond; *provided* that the Series 2014 Bond shall initially bear interest at a variable interest rate established pursuant to the Bond and Loan Agreement (with an initial variable rate of interest for the initial interest rate period commencing on the date of issuance of the Bond of not to exceed 5%, subject to adjustment as provided for in the Bond and Loan Agreement), shall be payable over a term not exceeding thirty (30) years from its date of issuance and shall be privately placed with the Purchaser.

The interest rate on the Series 2014 Bond may be subject to adjustment to (i) a higher or lower rate per annum under certain conditions, as further described in the Bond and Loan Agreement, or (ii) a taxable rate after the occurrence of a Determination of Taxability, as defined and further described in the Bond and Loan Agreement.

The Authority hereby authorizes each of the Chairman, Vice Chairman or Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority (each, an “Authorized Officer”) to make a final determination as to the principal amount, initial interest rate, maturity, uses of proceeds, mandatory sinking fund redemption dates and amounts (if any), optional and extraordinary redemption provisions (if any), optional or mandatory tender provisions and the purchase price and uses of the proceeds from the sale of the Series 2014 Bond. The execution by an Authorized Officer of the Bond and Loan Agreement shall constitute such Authorized Officer’s approval and the Authority’s approval of the final terms and provisions of the Series 2014 Bond.

The Series 2014 Bond, including the interest and any redemption premium payable thereon, shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2014 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds from the sale of the Series 2014 Bond, (ii) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights), (iii) other amounts available under the Bond and Loan Agreement and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

*Section 4. Bond and Loan Agreement.* That the Authority is hereby authorized to enter into the Bond and Loan Agreement with the Corporation and the Purchaser; that the form, terms and provisions

of the Bond and Loan Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Bond and Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond and Loan Agreement to be delivered to the Corporation, such Bond and Loan Agreement (as executed) to provide for the loan of the proceeds from the sale of the Series 2014 Bond to the Corporation and the use of such proceeds to carry out the Series 2004 Refunding and, if desirable, to pay all or a portion of the costs of issuance of the Series 2014 Bond, in the manner and with the effect therein provided; that the Bond and Loan Agreement shall be in substantially the same form previously provided to and on file with the Authority and hereby approved, or with such changes therein as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from such form of the Bond and Loan Agreement; that when the Bond and Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Bond and Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Bond and Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Bond and Loan Agreement as executed; and that the Bond and Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Bond and 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 5. Tax Agreement.* That the Authority is hereby authorized to enter into the Tax Agreement with the Corporation in the form to be approved by bond counsel; by counsel for the Corporation and by counsel to the Authority; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as herein provided, the Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Tax Agreement as executed.

*Section 6. Other Documents.* That the Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority, including but not limited to any documentation necessary to identify an interest rate hedge agreement for federal income tax purposes, (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the Corporation and the Purchaser, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, the issuance and sale of the Series 2014 Bond and the Series 2004 Refunding and/or the execution, delivery and performance of the Authority Documents, the Covenant Agreement and such other documents, certificates and undertakings, all as authorized by this Resolution; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

*Section 7. Private Placement; Investment Letter; Restrictions on Transfers.* That the Authority hereby authorizes the issuance and sale of the Series 2014 Bond to the Purchaser on a private

placement basis pursuant to the Bond and Loan Agreement; that the Purchaser shall deliver an investment letter to the Authority (in the form approved by counsel to the Authority) stating, among other things, that the Purchaser is either an “accredited investor” within the meaning of Regulation D, or a “qualified institutional buyer” within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and that the Bond and Loan Agreement shall contain such restrictions, as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the Series 2014 Bond by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Series 2014 Bond.

*Section 8. Conditions to Effectiveness.* That the approvals granted by the Authority pursuant to this Resolution are subject to the Authority Documents and any other document required to carry out and comply with this Resolution being in full conformance with the requirements of the Authority (including the Authority’s Bond Program Handbook), except as expressly approved by counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer’s execution and delivery of such documents.

*Section 9. Public Hearing.* That the Authority is not required to hold a Public Hearing since the Bond will satisfy the exception set forth in Section 147(f)(2)(D) of the Code.

*Section 10. Other Acts.* That all acts of the officers, employees and agents of the Authority which 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 11. Severability.* That 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 12. No Conflict.* That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

*Section 13. Effective Date.* That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: February 11, 2014

Re: Resolution Authorizing the Amendment of the Bond and Loan Agreement Among the Illinois Finance Authority, National Hellenic Museum and First Midwest Bank Relating to the Authority's Cultural Facility Revenue Bond (National Hellenic Museum Project), Series 2012; and Related Matters  
IFA Series 2012 File Number: N-NP-TE-CD-8524

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### Request:

The Illinois Finance Authority (the “**Authority**”) issued its Cultural Facility Revenue Bond (National Hellenic Museum Project), Series 2012 in the principal amount of \$8,000,000 (the “**Series 2012 Bond**”) pursuant to and in accordance with the provisions of that certain Bond and Loan Agreement dated as of February 1, 2012 (the “**Original Loan Agreement**”) among the Authority, **National Hellenic Museum**, an Illinois not-for-profit corporation (the “**Borrower**”) and **First Midwest Bank** (the “**Bond Purchaser**” or “**Bank**”).

The Borrower and Bond Purchaser are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to Bond and Loan Agreement (the “**First Amendment**”) to effectuate a change in the principal amortization of the Series 2012 Bond and use of the Debt Service Reserve Fund to partially redeem the Series 2012 Bond in a principal amount of approximately \$1,000,000. The Debt Service Reserve Fund is comprised of the following two accounts: Bond Proceeds Account and Borrower Equity Account. Initially, these accounts were funded with \$800,000 and \$200,000, respectively.

Thus, approval of this Resolution will authorize (i) an amendment to Section 4.5 of the Original Loan Agreement, whereby the Borrower shall apply the monies held in the Debt Service Reserve Fund to the partial redemption of the Series 2012 Bond (and effectively close the Debt Service Reserve Fund); (ii) an amendment to Section 3.2 of the Original Loan Agreement, whereby the maturity of the Series 2012 Bond shall be changed from February 28, 2037 to an earlier date expected to be February 28, 2034; (iii) an amendment to Section 3.3 of the Original Loan Agreement, whereby the Series 2012 Bond shall be amortized over an expected 22 years rather than 25 years; (iv) an amendment to Section 3.5(a) of the Original Loan Agreement, whereby reference to a required additional principal amortization called for by the Covenants Agreements between the Purchaser and the Borrower shall be removed; and (v) related matters, including but not limited to deletion of all references in the Original Loan Agreement of the Debt Service Reserve Fund as well as substitution of Exhibit A, Form of Bond, and substitution of Schedule I, Amortization Schedule.

### Purpose:

This request and the accompanying Resolution will enable the Borrower to apply approximately \$1.0 million of existing debt service reserve funds to redeem principal early, as approved by the Bank. The redemption will reduce the current outstanding principal balance from approximately [\$8.0 million] to [\$7.0 million].

### Background:

Series 2012 Bond proceeds were combined with other funds of National Hellenic Museum to pay, reimburse or refinance certain indebtedness, the proceeds of which were used by the Borrower for the payment of costs of acquisition, construction, and equipping of the National Hellenic Museum, a 40,000 square foot museum located at 333 South Halsted Street, Chicago (Cook County), Illinois 60661 and dedicated to displaying and celebrating the cultural contributions of Greeks and Greek Americans.

All payments relating to the IFA Series 2012 Bond are current and have been paid as scheduled.



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**PROFESSIONAL & FINANCIAL**

|                        |                              |             |             |
|------------------------|------------------------------|-------------|-------------|
| Bond Counsel:          | Greenberg Traurig, LLP       | Chicago, IL | Matt Lewin  |
| Bond Purchaser:        | First Midwest Bank, N.A.     | Chicago, IL | Steve Olson |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Jim Beck    |

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**RESOLUTION NO. 2014-0211-AD\_\_**

RESOLUTION AUTHORIZING THE AMENDMENT OF THE BOND AND LOAN AGREEMENT AMONG THE ILLINOIS FINANCE AUTHORITY, NATIONAL HELLENIC MUSEUM AND FIRST MIDWEST BANK RELATING TO THE AUTHORITY'S CULTURAL FACILITY REVENUE BOND (NATIONAL HELLENIC MUSEUM PROJECT), SERIES 2012; AND RELATED MATTERS.

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, as supplemented and amended (the "**Act**"), issued on February 29, 2012 its Cultural Facility Revenue Bond (National Hellenic Museum Project), Series 2012 (the "**Bond**") in the initial aggregate principal amount of \$8,000,000; and

WHEREAS, proceeds of the Bond were lent to National Hellenic Museum, an Illinois not-for-profit corporation (the "**Borrower**"), for the purpose of financing costs of acquisition, construction and equipping of the National Hellenic Museum in Chicago, Illinois; and

WHEREAS, the Bond was purchased by First Midwest Bank (the "**Purchaser**") in whole pursuant to a Bond and Loan Agreement dated as of February 1, 2012 (the "**Bond and Loan Agreement**") among the Authority, the Borrower and the Purchaser; and

WHEREAS, the Borrower and the Purchaser have requested that the Authority enter into a First Amendment to Bond and Loan Agreement (the "**First Amendment**") in order to amend the Bond and Loan Agreement to effect, among other changes, a change in the principal amortization of the Bond and a use of the Debt Service Reserve Fund (as defined in the Bond and Loan Agreement) to redeem the Bond.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

*Section 1.* Pursuant to the Act, the Authority does hereby authorize the amendment of the Bond and Loan Agreement as described above and the amendment of the Bond, and such amendments are in the public interest and will promote the purposes of the Authority.

*Section 2.* The First Amendment, in substantially the form on file with the Authority and containing substantially the terms and provisions set forth therein, is hereby authorized and approved, and the form, terms and provisions of the First Amendment are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Authority executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the Chairman, the Vice Chairman, the Executive Director or any person authorized by a Resolution of the Authority be, and each of them is hereby authorized and directed to execute and deliver, and the Secretary or the Assistant Secretary of the Authority are each hereby authorized and directed to execute, attest, seal and deliver, the First Amendment to the other parties thereto.

*Section 3.* The Authority is hereby authorized, empowered and directed to cause to be executed and delivered an amended Bond (the “**Amended Bond**”) in a principal amount not to exceed the outstanding principal amount of the Bond on the date of the amendment (following the partial redemption of the Bond with moneys on deposit in the Debt Service Reserve Fund) and having all of the terms of the original Bond except as amended by the First Amendment; provided that in no event shall the Amended Bond bear interest at a rate in excess of 15% per annum. The Amended Bond shall be issued and delivered to the Purchaser and the original Bond held by the Purchaser shall be canceled. The Amended Bond shall be executed on behalf of the Authority with the manual or facsimile signature of the Chairman of the Authority and shall have impressed or imprinted thereon the official seal of the Authority attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority.

The Amended Bond and interest thereon shall be a limited obligation of the Authority, payable solely out of the receipts, revenue and income derived from the Borrower by the Authority pursuant thereto as

described in the Bond and Loan Agreement, as amended by the First Amendment. The Amended Bond shall not in any respect be a general obligation of the Authority, nor shall it be payable in any manner from funds raised by taxation. No holder of the Amended Bond has the right to compel any exercise of the taxing power of the State of Illinois or any political subdivision thereof to pay the Amended Bond, the interest or premium, if any, thereon. The Amended Bond shall not constitute in any respect an indebtedness of the Authority or loan of credit thereof within the meaning of any constitutional or statutory provision.

The form of Amended Bond submitted to this meeting, subject to appropriate insertion and revision in order to comply with the provisions of the First Amendment, is approved, and when the Amended Bond in such form shall be executed on behalf of the Authority in the manner contemplated by the First Amendment and this Resolution, it shall represent the approved definitive form of the Amended Bond of the Authority.

*Section 4.* The Chairman, the Vice Chairman, the Executive Director or any person authorized by a Resolution of the Authority is hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the amendment of the Bond, the execution and delivery of the First Amendment and the Amended Bond, including, without limitation, any amendment or supplement to the Arbitrage and Tax Certificate executed and delivered in connection with the Bond and Loan Agreement and the original Bond, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

*Section 5.* All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the First Amendment and the Amended Bond, and the same hereby are, in all respects, approved and confirmed.

*Section 6.* 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 and provisions.

*Section 7.* All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

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

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: February 11, 2014

Re: Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture Providing for a Substitution of Obligation relating to Illinois Finance Authority Revenue Bonds, Series 2006 (Kewanee Hospital Project); and Related Matters

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The Illinois Finance Authority (the "**Authority**") issued its \$32,205,000 Revenue Bonds, Series 2006 (Kewanee Hospital Project) (the "**Series 2006 Bonds**") pursuant to a Bond Trust Indenture dated as of August 1, 2006 between the Authority and Amalgamated Bank of Chicago, as bond trustee (the "**2006 Bond Trustee**") and the proceeds were loaned to Kewanee Hospital (the "**Kewanee**"). Kewanee and OSF Healthcare System ("**OSF**") executed an Affiliation Agreement dated as of October 4, 2013 (the "**Affiliation Agreement**") for the purpose of merging Kewanee into OSF (the "**Merger**"). It is expected that on April 1, 2014, Kewanee will be merged into OSF and OSF will be the surviving entity.

Kewanee and OSF are each members of separate obligated groups created under separate master trust indentures. The payment of principal and interest on the Series 2006 Bonds is secured by a Direct Note Obligation issued by Kewanee (the "**Kewanee Obligation**") pursuant to a Master Trust Indenture dated as of August 1, 2006, as supplemented and amended, between Kewanee and Amalgamated Bank of Chicago, as master trustee. Kewanee and OSF have requested that, simultaneously with the Merger, the 2006 Bond Trustee accept a Direct Note Obligation issued by OSF (the "**OSF Substitute Obligation**") pursuant to an Amended and Restated Master Trust Indenture dated as of September 15, 1999, as supplemented and amended, among OSF and Wells Fargo Bank, National Association, as master trustee (the "**OSF Master Trustee**"), in exchange for the existing Kewanee Obligation (the "**Substitution of Obligation**").

OSF is requesting that the Authority authorize and approve a First Supplemental Bond Trust Indenture that provides for the Substitution of Obligation

**RESOLUTION NUMBER 2014-0211-AD**

**WHEREAS**, the **Illinois Finance Authority** (the “*Authority*”) has been created by, and exists under, the Illinois Finance Authority Act (the “*Act*”); and

**WHEREAS**, on August 31, 2006 the Authority issued its \$32,205,000 Revenue Bonds, Series 2006 (Kewanee Hospital Project) (the “*Series 2006 Bonds*”) pursuant to a Bond Trust Indentures dated as of August 1, 2006 (the “*Bond Indenture*”) between the Authority and Amalgamated Bank of Chicago, as bond trustee (the “*2006 Bond Trustee*”), and loaned the proceeds thereof to Kewanee Hospital (“Kewanee”); and

**WHEREAS**, Kewanee and OSF Healthcare System (“*OSF*”) executed that certain Affiliation Agreement dated as of October 4, 2013 (the “*Affiliation Agreement*”) for the purpose of merging Kewanee into OSF (the “*Merger*”); and

**WHEREAS**, pursuant to the terms of the Affiliation Agreement, it is expected that on or around April 1, 2014, Kewanee shall be merged with and into OSF upon which the separate existence of Kewanee shall cease and OSF will be the surviving entity; and

**WHEREAS**, Kewanee and OSF, together with certain of its affiliates, are each members of separate obligated groups (the “*Kewanee Obligated Group*” and the “*OSF Obligated Group*”, respectively) created under separate master trust indentures for the purpose of financing certain of the costs of the health care facilities of their respective Obligated Groups; and

**WHEREAS**, the payment of the principal of and interest on the Series 2006 Bonds is secured by a Direct Note Obligation issued by Kewanee (the “*Kewanee Obligation*”) pursuant to that certain Master Trust Indenture dated as of August 1, 2006, as supplemented and amended, between Kewanee, as the sole member of the Kewanee Obligated Group, and Amalgamated Bank of Chicago, as master trustee; and

**WHEREAS**, Kewanee and OSF have requested that, simultaneously with the Merger, the 2006 Bond Trustee, as the holder of the Kewanee Obligation, accept a Direct Note Obligation issued by OSF (the “*OSF Substitute Obligation*”) pursuant to that certain Amended and Restated Master Trust Indenture dated as of September 15, 1999, as supplemented and amended, among OSF, the other members of the OSF Obligated Group, and Wells Fargo Bank, National Association, as master trustee (the “*OSF Master Trustee*”), in exchange for the existing Kewanee Obligation (the “*Substitution of Obligation*”); and

**WHEREAS**, a draft of the First Supplemental Bond Trust Indenture (the “*Supplemental Bond Indenture*”) between the Authority and the Bond Trustee, supplementing and amending the Bond Indenture, which provides for the Substitution of Obligations has been previously provided to and is on file with the Authority; and

**WHEREAS**, OSF and Kewanee intend to seek the consent of the owners of the Series 2006 Bonds in connection with the Substitution of Obligation and the execution of the Supplemental Bond Indenture, in order to permit the 2006 Bond Trustee to consent to the Substitution of Obligations; and

**WHEREAS**, in connection with the foregoing, a Supplemental Master Indenture (the “*Supplemental Master Indenture*”) among the OSF Obligated Group and the OSF Master Trustee, providing for, among other things, the issuance thereunder of the OSF Substitute Obligation, will be executed and delivered by parties other than the Authority; and

**WHEREAS**, there will be provided prior to the execution and delivery of the Supplemental Bond Indenture, the consent of the bondholders to, among other things, the execution and delivery of the Supplemental Bond Indenture; and

WHEREAS, Kewanee and OSF may determine it is in their best interest to defease the Series 2006 Bonds instead of completing the Substitution of Obligation;

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

**Section 1. Supplemental Bond Indenture.** The Authority does hereby authorize and approve the execution by its Chairman, Vice Chairman or Executive Director (each an “*Authorized Officer*”) and the delivery and use of the Supplemental Bond Indenture. The Supplemental Bond Indenture shall be substantially in the form previously provided to 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 the form of such Supplemental Bond Indenture previously provided to the Authority.

**Section 2. Substitution of Obligation.** The Authority hereby approves the exchange of the OSF Substitute Obligation for the existing Kewanee Obligation.

**Section 3. Supplemental Master Indenture.** The Authority does hereby approve the form of the Supplemental Master Indenture. The Supplemental Master Indenture shall be in substantially the form approved by the Authorized Officer executing the Supplemental Bond Indenture, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the Supplemental Master Indenture.

**Section 4. 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 agreements, one or more supplemental bond indentures, escrow agreements, or other agreement providing for the payment of the Series 2006 Bonds and any additional documents that may be required by the Authority and counsel to the Authority in connection with the Substitution of Obligation or the defeasance of the Series 2006 Bonds) as may be necessary to carry out and comply with the provisions of these resolutions, the Supplemental Bond Indenture and the Supplemental Master Indenture, and to facilitate the Substitution of Obligation or the defeasance of the Series 2006 Bonds, 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, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Supplemental Bond Indenture 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 the Executive Director or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, 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 Authority Document.

**Section 5. Separability.** 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 6. Conflicts.** All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

**Section 7. Immediate Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: February 11, 2014

Re: Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture and a First Supplemental Loan Agreement in Connection with Illinois Finance Authority Revenue Bonds, Series 2012A (Hospital Sisters Services, Inc. – Obligated Group); and Related Matters  
IFA Series 2012 File Number: H-HO-TE-CD-8564

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The Illinois Finance Authority (the “**Authority**”) has authorized the issuance of its Revenue Bonds, Series 2012A (Hospital Sisters Services, Inc. – Obligated Group) (the “**Series 2012A Bonds**”) from time to time in an aggregate principal amount not to exceed \$120,415,000 pursuant to and in accordance with the provisions of a Bond Trust Indenture dated as of October 1, 2012 between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “**Bond Trustee**”) and the proceeds of the Series 2012A Bonds are loaned to Hospital Sisters Services, Inc. (the “**Corporation**”) pursuant to a Loan Agreement dated as of October 1, 2012 between the Authority and the Corporation. JPMorgan Chase Bank, N.A. (the “**Purchaser**”) has agreed to purchase the Series 2012A Bonds from time to time pursuant to a Bond Purchase Agreement dated September 25, 2012 among the Purchaser, the Authority and the Corporation and is the sole holder of the Series 2012A Bonds issued to date. \$61,830,000 of the Series 2012A Bonds have been issued to date.

The proceeds of the Series 2012A Bonds are being used for the acquisition, constructing and equipping of a 25-bed critical access hospital located in Highland, Illinois and the construction, remodeling, renovation and equipping of inpatient surgery facilities and a patient tower in Springfield, Illinois (the “**Project**”). The Corporation anticipates that the Project will not be completed until December, 2014. However, pursuant to the Bond Indenture, the Corporation may only request to receive Series 2012A Bond proceeds until March 1, 2014.

The Corporation is requesting that the Authority amend the Bond Indenture and Loan Agreement to permit the Corporation to request to receive Series 2012A Bond proceeds until December 1, 2014 (the “**Completion Date Extension**”). The Purchaser, as sole holder of the Series 2012A Bonds, will consent to the amendments set forth in the First Supplemental Bond Trust Indenture and the First Supplemental Loan Agreement.



**RESOLUTION NUMBER 2014-0211-AD**

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL BOND INDENTURE AND A FIRST SUPPLEMENTAL LOAN AGREEMENT IN CONNECTION WITH ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2012A (HOSPITAL SISTERS SERVICES, INC. – OBLIGATED GROUP); AND RELATED MATTERS**

**WHEREAS**, the **Illinois Finance Authority** (the “*Authority*”) has been created by, and exists under, the Illinois Finance Authority Act (the “*Act*”); and

**WHEREAS**, the Authority has authorized the issuance of its Illinois Finance Authority Revenue Bonds, Series 2012A (Hospital Sisters Services, Inc. – Obligated Group) (the “*Series 2012A Bonds*”) from time to time in an aggregate principal amount not to exceed \$120,415,000, \$61,830,000 of which have been issued to date; and

**WHEREAS**, the Series 2012A Bonds are being issued pursuant to a Bond Trust Indenture dated as of October 1, 2012 between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “*Bond Trustee*”); and

**WHEREAS**, the proceeds of the Series 2012A Bonds are loaned to Hospital Sisters Services, Inc., a not for profit corporation incorporated under the laws of the State of Illinois (the “*Corporation*”), pursuant to a Loan Agreement dated as of October 1, 2012 (the “*Loan Agreement*”), between the Authority and the Corporation; and

**WHEREAS**, JPMorgan Chase Bank, N.A. (the “*Purchaser*”) has agreed to purchase the Series 2012A Bonds from time to time pursuant to a Bond Purchase Agreement dated September 25, 2012 among the Purchaser, the Authority, the Corporation and the other Members of the Obligated Group identified therein and is the sole holder of the Series 2012A Bonds issued to date; and

**WHEREAS**, the proceeds of the Series 2012A Bonds are being used to acquire, construct, renovate, remodel and equip certain health facilities of the Corporation and its affiliates, including, but not limited to the acquisition, construction and equipping of a 25-bed critical access hospital located in Highland, Illinois and the construction, remodeling, renovation and equipping of inpatient surgery facilities and a patient tower in Springfield, Illinois (collectively, the “*Project*”); and

**WHEREAS**, the Corporation anticipates that the acquiring, constructing, renovating, remodeling and equipping of the Project will not be completed until December, 2014; and

**WHEREAS**, pursuant to the Bond Indenture, the Corporation may only request to receive Series 2012A Bond proceeds until March 1, 2014; and

**WHEREAS**, the Corporation has requested that the Authority and the Bond Trustee amend the Bond Indenture and the Loan Agreement to permit the Corporation to request to receive Series 2012A Bond proceeds until December 1, 2014 (the “*Completion Date Extension*”); and

**WHEREAS**, a draft of a First Supplemental Bond Trust Indenture (the “*Bond Indenture Supplement*”) amending the Bond Indenture to provide for the Completion Date Extension has been previously provided to the Authority and is on file with the Authority; and

**WHEREAS**, a draft of a First Supplemental Loan Agreement (the “*Loan Agreement Supplement*” and, together with the Bond Indenture Supplement, the “*2012 Supplements*”) amending the Loan Agreement to reflect the Completion Date Extension has been previously provided to the Authority and is on file with the Authority; and

WHEREAS, the Purchaser, as the sole holder of the Series 2012A Bonds, will consent to the amendments set forth in the 2012 Supplements; and

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

**Section 1. 2012 Supplements.** The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director or the Members (each an “*Authorized Officer*”) and the delivery of the 2012 Supplements. The 2012 Supplements shall be substantially in the forms presented to 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 form of the 2012 Supplements, and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval thereof.

**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 (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions and the 2012 Supplements, 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, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

**Section 3. Separability.** 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.

**Immediate Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: February 11, 2014

Re: Resolution of Intent requesting an Initial Allocation of Calendar Year 2014 Private Activity Bond Volume Cap in the amount of \$225,000,000

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### **Request:**

The accompanying Resolution of Intent is in connection with IFA's annual request for Volume Cap to fund Beginning Farmer Bond and Industrial Revenue Bond Projects during Calendar Year 2014. The Authority's initial Volume Cap allocation request amount pursuant to the accompanying Resolution is \$225,000,000 for Calendar Year 2014.

### **Background:**

The Governor's Office of Management and Budget ("GOMB") requests that the governing board of each State conduit bond issuing authority file a certified Resolution of Intent as a supplemental exhibit to the issuer's annual Volume Cap allocation request letter.

### **Recommendation:**

Staff recommends approval of the accompanying Resolution as presented.

**IFA RESOLUTION NO. 2011-0211-AD\_\_**

**RESOLUTION OF INTENT REQUESTING AN INITIAL  
ALLOCATION OF PRIVATE ACTIVITY VOLUME CAP IN  
THE AMOUNT OF \$225,000,000**

**WHEREAS**, pursuant to Section 801-40 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1, et seq., as amended (the “Act”), the **ILLINOIS FINANCE AUTHORITY** (the “Authority”) is authorized to issue bonds (“Bonds”), including, but not limited to, the issuance of Bonds pursuant to the Illinois Private Activity Bond Allocation Act, 30 ILCS 345 et seq. (the “*Illinois Allocation Act*”); and

**WHEREAS**, the State of Illinois Guidelines and Procedures for the Allocation of Private Activity Bonding Authority require a request for volume cap allocation be accompanied by a Resolution of the Authority; and

**WHEREAS**, the Authority anticipates a strong demand for the proceeds of its Bonds and a consequent need to issue Bonds soon after January 1, 2014:

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

**Section 1. Ratification and Approval.** The Authority hereby ratifies and approves all actions taken by the Executive Director, including, but not limited to his request for an initial volume cap allocation of \$225,000,000 in Calendar Year 2014.

**Section 2. Intention to Provide Financing.** The Authority states its intention, subject to compliance with all requirements of law, to issue Bonds pursuant to the Illinois Volume Cap Allocation Act, in addition to the amount of the Existing Allocation, and on terms and conditions acceptable to the Authority.

**Section 3. Authorization to Implement Resolution.** The Executive Director is authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

**ILLINOIS FINANCE AUTHORITY**

**Memorandum**

To: IFA Board of Directors

From: Christopher B. Meister

Date: February 11, 2014

Re: Ratification of Resolution Supporting Comments by Illinois Department of Agriculture on Proposed Rule for 2014 Standards for the Renewable Fuel Standard Program

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The Illinois Finance Authority ratifies, confirms and approves action taken, and the resolution adopted in connection therewith, by the Agriculture Committee on January 28, 2014.

**RESOLUTION NUMBER 2014-0211-\_\_\_\_\_**

**RATIFICATION OF RESOLUTION SUPPORTING COMMENTS BY  
ILLINOIS DEPARTMENT OF AGRICULTURE ON PROPOSED  
RULE FOR 2014 STANDARDS FOR THE RENEWABLE FUEL  
STANDARD PROGRAM**

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

**WHEREAS**, the Agriculture Committee of the Authority met in open session on January 28, 2014.

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

**Section 1. Ratification, Confirmation and Approval.** The Authority hereby ratifies, confirms and approves action taken, and the resolution adopted in connection therewith, by the Agriculture Committee on January 28, 2014, as evidenced by attached Resolution 2014-0128-AG01.

All of the foregoing actions and resolutions are hereby confirmed and approved.

**Adopted** this 11<sup>th</sup> day of February, 2014 by vote as follows:

Ayes:  
Nays:  
Abstain:  
Absent:  
Vacant:

**ILLINOIS FINANCE AUTHORITY**

By: \_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

[SEAL]

**RESOLUTION 2014-0128-AG01**

**RESOLUTION SUPPORTING COMMENTS BY ILLINOIS  
DEPARTMENT OF AGRICULTURE ON PROPOSED RULE FOR  
2014 STANDARDS FOR THE RENEWABLE FUEL STANDARD  
PROGRAM**

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

**WHEREAS**, the Authority created by the Act succeeds, assumes and exercises all rights, powers, duties and responsibilities formerly exercised by the Illinois Farm Development Authority (the "*Predecessor Authority*");

**WHEREAS**, the Authority from time to time issues its tax-exempt bonds (the "*Bonds*") for the benefit of "first-time farmers" (as defined by 26 U.S.C. § 147(c)(2)(C)) (each a "*Beginning Farmer*" and collectively, "*Beginning Farmers*") and expects that it will in the future;

**WHEREAS**, the Authority is authorized to issue State Guarantees to lenders for loans to eligible farmers and agribusinesses for purposes that promote diversification of the farm economy of the State of Illinois through the growth and development of new crops or livestock not customarily grown or produced in the State or that emphasize a vertical integration of grain or livestock produced or raised in the State into a finished agricultural product for consumption or use and expects that it will in the future;

**WHEREAS**, on August 13, 2013, Governor Pat Quinn signed into law House Bill 2748 of the State of Illinois Ninety-Eighth General Assembly, which requires that at any point in time, the Authority must include no fewer than two members who have expertise in agribusiness or production agriculture;

**WHEREAS**, under the Clean Air Act ("*CAA*"), as amended by the Energy Independence and Security Act ("*EISA*") of 2007, the United States Environmental Protection Agency ("*EPA*") is required to set the annual standards for the Renewable Fuel Standard Program ("*RFS*") for each year;

**WHEREAS**, RFS has been a phenomenal success and is working just as intended, playing a pivotal role in reducing petroleum imports to the lowest level since the 1990s, lowering gas prices, improving air quality, and strengthening the economic health of rural America and Illinois specifically;

**WHEREAS**, the EPA is considering reducing volumes of advanced biofuel and total renewable fuel below the volumes specified in the CAA in its proposed rulemaking, "2014 Standards for the Renewable Fuel Standard Program; Proposed Rule," published in the *Federal Register* at 78 FR 71732 on November 29, 2013;

**WHEREAS**, the proposed rulemaking by EPA is open to a 60 day public comment period and comments must be received on or before January 28, 2014;

**WHEREAS**, the Illinois Department of Agriculture has prepared comments opposing the proposed rulemaking and is directing them to Docket ID No. EPA-HQ-OAR-2013-0479.

**NOW, THEREFORE, BE IT RESOLVED** by the Members of the Agriculture Committee of 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. Support of Comments.** The Agriculture Committee of the Authority hereby supports the comments prepared by the Illinois Department of Agriculture which are being directed to the EPA. The comments strongly oppose reducing volumes of advanced biofuel and total renewable fuel below the volumes specified in the CAA. As a state, Illinois has actively encouraged the use of biofuels to its citizenry and taken the appropriate steps to ensure that the infrastructure is in place for increasing usage of biofuels. The proposed rulemaking will hurt local economies and could result in thousands of lost jobs, while increasing harmful emissions. Furthermore, biodiesel is of particular importance to Illinois soybean growers and Illinois agriculture. Illinois agriculture is proud to support biodiesel fuels, and an industry that creates jobs and stimulates rural and urban Illinois economies.

**Section 3. Delegation to the Executive Director.** The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions as may be required in connection with adding language to this resolution consistent with the official positions of other Illinois agencies; we recommend that the Agriculture Committee of the Illinois Finance Authority position against EPA's proposal be ratified by all Members of the Illinois Finance Authority at its next meeting.

**Section 4. Further Actions.** The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

**Section 5. 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.

**Section 6. Conflicts.** That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.



**Adopted** this 28<sup>th</sup> day of January, 2014 by vote as follows:

Ayes: 5

Nays: 0

Abstain: 0


Absent: 1

Vacant: 0

**ILLINOIS FINANCE AUTHORITY**

By:   
Agriculture Committee Chairman

ATTEST:

By:   
Assistant Secretary



[SEAL]

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Energy & Infrastructure Committee

From: Christopher B. Meister, Executive Director

Date: February 11, 2014

Re: Resolution Authorizing the Executive Director to Return State Energy Program Monies Authorized Under the American Recovery and Reinvestment Act of 2009 to the Illinois Department of Commerce and Economic Opportunity

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### Request:

The accompanying Resolution would authorize the **Illinois Finance Authority's** (the "**IFA's**") Executive Director to return **State Energy Program ("SEP")** monies authorized under the **American Recovery and Reinvestment Act of 2009 ("ARRA")** received heretofore from the **Illinois Department of Commerce and Economic Opportunity ("DCEO")** in furtherance of energy efficiency and renewable energy project financing

### Background:

On March 11, 2011, the **United States Department of Energy ("USDOE")** issued a Notice to provide guidance to SEP grantees on financing programs. DCEO is a grantee of SEP funds.

Grantee arrangements for leveraging additional public and private sector funds, including rebates, grants, and other incentives, must be arranged to ensure that federal funds go to support eligible activities listed in 42 USC § 6322(d)(5)(A). The leveraging of funds may be accomplished through mechanisms such as partnerships with third party lenders, co-lending, third party administration of loans, loan loss reserves, interest rate buy downs and third party loan insurance.

Members of the IFA Board approved a resolution in February 2012 that formally authorized the IFA to collaborate with DCEO in furtherance of energy efficiency and renewable energy project financing in Illinois. Had the IFA not accepted the SEP funds at that time, it is likely that these funds would have been returned to the federal government and not benefited the people of Illinois.

Despite several good faith efforts, IFA was unable to deploy the SEP funds in a resource-efficient manner consistent with IFA statute and mission as well as the federal compliance requirements. Working with USDOE and DCEO, IFA identified a non-profit programmatic recipient of the SEP funds, the **Clean Energy Trust**, a not-for-profit ("**Trust**"). USDOE provided preliminary approval to the Trust to use the funds to operate an early stage investment fund for energy companies. The Trust would bear the federal compliance burden. IFA would have a Board Member serve as a voting Board Member with full rights on the Trust's decision-making investment committee regarding the SEP funds.

In order to advance this proposal further, however, IFA now needs to return the SEP funds to DCEO which in turn will grant the funds to the Trust.

IFA staff recommends that the SEP be returned to DCEO for the above purpose pursuant to the attached resolution.

**IFA RESOLUTION NO. 2012-0211-AD10**

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY TO RETURN STATE ENERGY PROGRAM MONIES AUTHORIZED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 TO THE ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

**WHEREAS**, the Illinois Finance Authority (the “Authority”) is a body politic and corporate of the State of Illinois; and

**WHEREAS**, the Authority has the power to contract for and finance the costs of energy audits, project-specific engineering and design specifications, and any other related analyses preliminary to an energy conservation project; and, to contract for and finance the cost of project monitoring and data collection to verify post-installation energy consumption and energy-related operating costs (20 ILCS 3501/820-20); and

**WHEREAS**, pursuant to IFA Resolution 2012-0214-AD09, adopted February 14, 2012, the Illinois Department of Commerce and Economic Opportunity (“DCEO”) is a grantee of the United States Department of Energy’s (“DOE”) State Energy Program (“SEP”) funds; and

**WHEREAS**, the DOE released a notice to providence to the SEP grantees on financing programs; and

**WHEREAS**, Grantee arrangements for leveraging additional public and private sector funds, including rebates, grants, and other incentives, must be arranged to ensure that federal funds go to support eligible activities listed in 42 USC 6322(d)(5)(A). The leveraging of funds may be accomplished through mechanisms such as partnerships with third party lenders, co-lending, third party administration of loans, loan loss reserves, interest rate buy downs and third party loan insurance; and

**WHEREAS**, the Authority collaborated with DECO to release SEP monies authorized under ARRA in furtherance of energy efficiency and renewable energy project financing and for the purpose of keeping these funds in Illinois for the benefit of Illinois residents; and

**WHEREAS**, despite several good faith efforts, IFA was unable to deploy the SEP funds in a resource-efficient manner consistent with IFA statute and mission as well as the federal compliance requirements and no energy efficiency or renewable energy projects have been financed with SEP funds as of the date of this Resolution; and

**WHEREAS**, USDOE provided preliminary approval to the Trust to use the funds to operate an early stage investment fund for Illinois energy companies. The Trust would bear the federal compliance burden. IFA would have a Board Member serve as a voting Board Member with full rights on the Trust’s decision-making investment committee with respect to the SEP funds. In order to advance this proposal, IFA needs to return the SEP funds to DCEO which in turn will grant the funds to the Trust.

**NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY THAT** the Executive Director of the Authority (and any designee of such Executive Director) is authorized to return the SEP funds to DCEO for the purpose of DCEO and the Clean Energy Trust (“Trust”) obtaining final USDOE approval of the Trust’s plan to use the SEP funds to operate an early stage investment fund for Illinois energy companies.

**BE IT FURTHER RESOLVED THAT,** the Executive Director of the Authority (and any designee of such Executive Director) are authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution.

**BE IT FURTHER RESOLVED THAT** this Resolution shall be effective immediately upon adoption.

Approved and effective this 11th day of February, 2014.