ILLINOIS FINANCE AUTHORITY

December 9, 2014

AGENDA

COMMITTEE OF THE WHOLE MEETING
9:30 a.m.
Michael A. Bilandic Building
160 North LaSalle Street
Hearing Room N - 808
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. Monthly Procurement Report
VII. Committee Reports
VIII. Project Reports and Resolutions
IX. Other Business
X. Public Comment
XI. Adjournment

BOARD MEETING
10:30 a.m.
Michael A. Bilandic Building
160 North LaSalle Street
Hearing Room N - 808
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
Beginning Farmer Bonds *Final (One-Time Consideration)*						
1	A) David T. Mulch	Raymond Township (Montgomery County)	$509,600	-	-	PE/LK
	B) Mitchell A. Rosenthal	Raymond Township (Montgomery County)	$391,840	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$901,440**	-	-	

LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Local Government Revenue Bonds *Final (One-Time Consideration)*						
2	Pace, the Suburban Bus Division of the Regional Transportation Authority	Markham (Cook County)	$12,000,000	N/A	14	RF/BF
TOTAL LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS			**$12,000,000**	**N/A**	**14**	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Student Loan Revenue Bonds *Final*						
3	Midwestern University Foundation	Downers Grove (DuPage County)	$20,000,000	N/A	N/A	RF/BF
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
4	O.L.L. Education Services	Aurora (Kane County), Hillside (Cook County), and Waukegan (Lake County)	$7,000,000	N/A	N/A	RF/BF
5	Navy Pier, Inc.	Chicago (Cook County)	$46,500,000	42	340	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$73,500,000**	**42**	**340**	

PROJECT REPORTS AND RESOLUTIONS

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds ***Final***						
6	Illinois Valley Community Hospital	Peru (LaSalle County)	$23,000,000	N/A	N/A	PL
501(c)(3) Revenue Bonds ***Final (One-Time Consideration)***						
7	Rush University Medical Center Obligated Group	Chicago, Oak Park (Cook County) and Aurora (Kane County)	$665,000,000	N/A	N/A	PL
501(c)(3) Revenue Bonds ***Preliminary***						
8	KishHealth System	Sycamore and DeKalb (DeKalb County)	$14,000,000	N/A	N/A	PL
TOTAL HEALTHCARE PROJECTS			**$702,000,000**	-	-	
GRAND TOTAL			**$788,401,440**	**42**	**354**	

RESOLUTIONS

Tab	Action	Staff
Resolutions		
9	Resolution Authorizing the Issuance of not to exceed $2,000,000 in Aggregate Principal Amount of the Illinois Finance Authority's Revenue Refunding Bond (Hispanic Housing Development Corporation Project), Series 2014, the Proceeds of which are to be Loaned to Hispanic Housing Development Corporation	RF/BF
10	Resolution Authorizing the Executive Director to Waive any Event of Default with Respect to $4,090,000 Original Aggregate Principal Amount of General Obligation Waterworks and Sewerage Revenue Bonds Issued by the Village of Thomson, Carroll County, Illinois, in 2000 and Owned by the Authority and Related Matters	
11	Resolution Appointing the Executive Director of the Illinois Finance Authority for One-Year Term of Office	WB

Executive Director's message will be distributed separately.

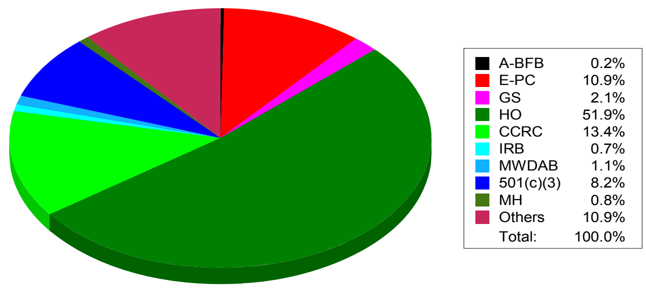
[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

Bonds Issued - Fiscal Year Comparison
for the Period Ending Novemeber 30, 2014

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	75,000,000
2	Local Government	15,025,000
1	Enviromental issued under 20	10,935,000
60		$ 2,270,786,753

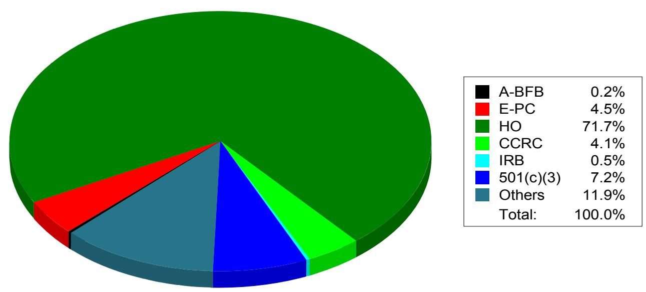
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

#	Market Sector	Principal Issued
21	Agriculture - Beginner Farmer	3,729,751
4	Education	93,895,000
9	Healthcare - Hospital	1,493,795,000
4	Healthcare - CCRC	84,995,000
1	Industrial Revenue	10,000,000
11	501(c)(3) Not-for-Profit	165,617,000
6	Local Government	247,360,000
56		$ 2,099,391,751

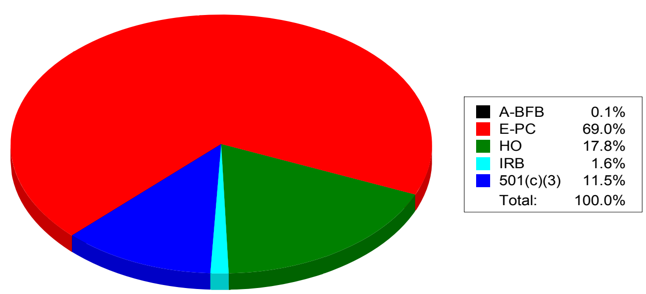
Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	635,550
2	Education	593,445,000
2	Healthcare - Hospital	153,310,000
2	Industrial Revenue	14,000,000
5	501(c)(3) Not-for-Profit	99,245,000
13		$ 860,635,550

Bonds Issued in Fiscal Year 2015



Bonds Issued and Outstanding
as of November 30, 2014

Bonds Issued between July 01, 2014 and November 30, 2014

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
HO	Southern Illinois Healthcare	07/01/2014	Variable	127,215,000	51,235,000
IRB	Peddinghaus Corporation	07/11/2014	Variable	4,000,000	0
A-BFB	Beginning Farmer Bonds	07/01/2014	Variable	635,550	0
501(c)(3)	Freeport Regional Health Care Foundation	07/22/2014	Variable	40,000,000	0
501(c)(3)	Lawrence Hall Youth Services	08/13/2014	Variable	12,100,000	0
HO	The Carle Foundation	08/08/2014	Variable	26,095,000	26,095,000
E-PC	University of Chicago	08/12/2014	Variable	573,645,000	500,000,000
E-PC	Dominican University	08/20/2014	Variable	19,800,000	19,800,000
IRB	Freedman Seating Company	09/25/2014	Variable	10,000,000	5,068,417
501(c)(3)	Rodgers Park Montessori School	09/26/2014	Fixed at Schedule	18,515,000	10,000,000
501(c)(3)	Lake Forest College	10/17/2014	Variable	18,275,000	17,870,000
501(c)(3)	Search, Inc.	10/31/2014	Variable	10,355,000	9,965,000
		Total Bonds Issued as of November 30, 2014		$ 860,635,550	$ 640,033,417

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, 2014 and November 30, 2014

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Gentry Storm	09/19/2014	3.125	485,550	138.61	Shelby
Adam E. Helregel	11/19/2014	4.35	150,000	10.00	Jasper
	Total Beginner Farmer Bonds Issued		$ 635,550	148.61	

ref: H:\Board Book Reports\Bonds Issued by Fiscal Year-Board Book-Activity Report.rpt

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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 June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 48,343,519	$ 48,979,069		
Education	4,258,096,234	4,265,401,241		
Healthcare	13,448,248,546	13,455,399,003		
Industrial Development [includes Recovery Zone/Midwest Disaster]	699,148,562	775,102,266		
Local Government	378,900,000	344,185,000		
Multifamily/Senior Housing	171,092,016	170,275,720		
501(c)(3) Not-for Profits	1,398,527,100	1,413,702,495		
Exempt Facilities Bonds	299,970,000	249,970,000		
Total IFA Principal Outstanding	**$ 20,702,325,977**	**$ 20,723,014,793**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	83,400,000	83,400,000		
Industrial Development	324,951,564	294,593,293		
Local Government	315,078,470	315,078,470		
Multifamily/Senior Housing	84,424,117	84,389,117		
501(c)(3) Not-for Profits	744,591,262	729,395,351		
Exempt Facilities Bonds	75,000,000	-		
Total IDFA Principal Outstanding	**$ 1,627,941,801**	**$ 1,507,352,618**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 807,134,980**	**$ 780,684,980**		
Illinois Educational Facilities Authority "IEFA"	**$ 703,316,992**	**$ 681,605,990**		
Illinois Farm Development Authority "IFDA" [f]	**$ 18,747,389**	**$ 18,747,389**		
Total Illinois Finance Authority Debt	**$ 23,859,467,139**	**$ 23,711,405,771**	**$ 28,150,000,000**	**$ 4,438,594,229**

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

Section I (b)

	Principal Outstanding June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
** Issued through IRBB - Local Government Pools	$ 10,985,000			
**Issued through IFA - Local Government Pools	21,370,000			
Issued through IFA - Illinois Medical District Commission	37,600,000	36,280,000		
Total General Moral Obligations	**$ 69,955,000**	**$ 36,280,000**	**$ 150,000,000**	**$ 113,720,000**
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	148,237,655	135,460,594		
Total State Component Unit Bonds	**$ 148,237,655**	**$ 135,460,594**		

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 June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	**$ 66,044,684**	**$ 65,723,456**	**$ -**	**$ 41,530,000**

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 [h]	City/Counties Ceded Voluntarily to IFA	Bonds issued as of January 31, 2013	Available "Ceded" Volume Cap
Recovery Zone Economic Development Bonds;	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	**$ 4,040,000**
Recovery Zone Facilities Bonds	**$ 1,000,457,000**	**$ 204,676,397**	**$ 214,849,804**	**$ (10,173,407)**
Qualified Energy Conservation Bonds	**$ 133,846,000**	**$ -**	**$ 44,370,000**	**$ -**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section II	Principal Outstanding June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity
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 June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 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 June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,128,782	**$ 9,243,360**	**$ 8,993,821**	**$ 160,000,000**	**$ 151,006,179**	**$ 7,639,515**
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,822,352	**$ 9,837,616**	**$ 9,577,711**	**$ 225,000,000** [e]	**$ 215,422,289**	**$ 8,141,055**
Agri Industry Loan Guarantee Program	$ 5,108,251	$ 5,043,396			4,286,887
Farm Purchase Guarantee Program	917,680	909,887			773,404
Specialized Livestock Guarantee Program	2,763,756	2,586,178			2,198,251
Young Farmer Loan Guarantee Program	1,047,929	1,038,250			882,512
Total State Guarantees	**$ 19,080,977**	**$ 18,571,532**	**$ 385,000,000**	**$ 366,428,468**	**$ 15,780,569**

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

Section V			Principal Outstanding June 30, 2014	Principal Outstanding November 30, 2014	Appropriation Fiscal Year 2015	Cash and Investment Balance
132	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 17,052,813**	**$ 15,548,078**	**$ 2,383,342**	**$ 6,233,502**
8	Ambulance Revolving Loan Program	**Fund # 334**	**$ 415,920**	**$ 321,600**	**$ 7,006,800**	**$ 3,862,307**

Note: Due to deposits in transit, the Fund Balance at the IOC may differ from the IFA General Ledger. In May, 2014 the OSF transferred the Fund Balance to a Locally Held Fund by the IFA.

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

Section VI	Principal Outstanding June 30, 2014	Principal Outstanding November 30, 2014	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 26,315,000	$ 25,595,000		
Issued through IDFA	177,380,000	154,055,000		
Total Environmental [Large Business]	**$ 203,695,000**	**$ 179,650,000**	**$ 2,425,000,000**	**$ 2,245,350,000**
Environmental [Small Business]	$ -	$ -	**$ 75,000,000**	**$ 75,000,000**
Total Environment Bonds Issued under Act	**$ 203,695,000**	**$ 179,650,000**	**$ 2,500,000,000**	**$ 2,320,350,000**

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding June 30, 2014	Principal Outstanding November 30, 2014
Participation Loans			
Business & Industry	23,020,158	1,616,353	1,552,862
Agriculture	6,079,859	114,269	114,269
Participation Loans exluding Defaults & Allowances	**29,100,017**	**1,730,622**	**1,667,132**
Plus: Legacy IDFA Loans in Default		**858,458**	**858,458**
Less: Allowance for Doubtful Accounts		**1,002,182**	**1,002,182**
Total Participation Loans		**1,586,898**	**1,523,408**
Local Government Direct Loans	**1,289,750**	**157,689**	**139,000**
Rural Bond Bank Local Government Note Receivable			**22,685,037**
FmHA Loans	**963,250**	**227,046**	**213,994**
Renewable Energy [RED Fund]	**2,000,000**	**1,396,598**	**1,357,588**
Total Loans Outstanding	**34,353,017**	**3,368,231**	**25,919,027**

IRBB funds were defeased and transferred into a note receivable with the IFA.

[a] Total subject to change; late month payment data may not be included at issuance of report.
[b] State Component Unit Bonds included in balance.
[c] Does not include Unamortized issuance premium as reported in Audited Financials.
[d] Program Limitation reflects the increase to $3 billion effective 01/01/2010 under P.A. 96-103.
[e] Program Limitation reflects the increase from $75 million to $225 million effective 01/01/2010 under P.A. 96-103.
[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
[g] 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.
[h] 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]
[i] Includes EPA Clean Water Revolving Fund

COMMITTEE MINUTES

ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
FRIDAY, NOVEMBER 21, 2014
10:41 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 160 North LaSalle Street, Room N - 1810, Chicago, Illinois 60601, on the third Friday of November in the year 2014, 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 Members physically present and 1 Member present by means of audio conference.

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

Having been absent when the Quorum Roll Call for Attendance was taken, Member Bronner was recorded as present via audio conference at the time of 10:50 a.m.

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

November 21, 2014
0 YEAS 0 NAYS 11 PRESENT

P	Bronner (VIA AUDIO CONFERENCE) (ADDED)	E	Leonard	P	Poole
P	Fuentes	P	Lonstein	P	Tessler
P	Goetz (VIA AUDIO CONFERENCE)	E	O'Brien	P	Vaught
P	Gold	P	Parish	E	Zeller
P	Knox	E	Pedersen	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 expressed his gratitude to the Supreme Court for providing space for the Authority to meet and conduct its meetings.

Chairman Brandt stated despite changes in State administration, projects presented for consideration by staff at the Authority are good projects and will continue to be good projects. Chairman Brandt kindly requested the Committee to view the need to have these good projects get approved in a timely manner as a commitment to their public service and loyalty to the State of Illinois.

III. Message from the Executive Director

Executive Director Meister thanked Members of the Committee for their attendance. Executive Director Meister engaged in a conversation relating to Board appointments. In response to questioning from Chairman Brandt, Executive Director Meister confirmed that a Member's term, while serving as a holdover after his or her initial term's expiration, ends when a new appointment is filed with the Secretary of the Senate.

Executive Director Meister thanked Ms. O'Brien for her time while working for the Illinois Finance Authority as she has accepted a job offer in San Diego in the private sector. Chairman Brandt and the Committee expressed their gratitude.

Executive Director Meister informed the Committee that its recognized subject matter expert, Rich Frampton, a Board Member of the Council of Development Finance Agencies ("CDFA"), was unable to attend today's meetings as he was in Scottsdale, AZ attending CDFA's 2014 National Development Finance Summit in Scottsdale, AZ. As a result, Ms. Gildart will be reading the Board Script at the Board Meeting hereafter.

Chairman Brandt informed the Committee that he expects further changes in staff, in addition to the departure of Ms. O'Brien. He asked the Committee to do the best it can going forward to ensure bond financing projects get approved in a timely manner despite these departures.

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 October 16, 2014 or any errors in the Minutes of the regular meeting of the Board held on October 16, 2014.

Member Parish stated she had reviewed the minutes and they are satisfactory for adoption.

Member Fuentes moved for the adoption of the Minutes of the regular meeting of the Committee held on October 16, 2014.

Member Tessler seconded the motion.

The motion prevailed and the Minutes as corrected were adopted.

V. Presentation and Consideration of the Financial Statements

Ms. Gildart presented the following monthly and annual summary as of October 31, 2014:

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. Annual Operating Revenues totaled $1.1 million, while annual Net Non-Operating Revenues totaled $64 thousand. Total annual combined revenues of $1.2 million are $270 thousand or 18.3% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees year to date of $580 thousand, are $249 thousand or 30.1% below budget. Included in Interest Income on Loans, the year to date revenue accrued for interest due from the former IRBB local governments totaled $380 thousand. Annual fees of $119 thousand are 6% or nearly $7 thousand higher than budget. Application fees are also higher at $22 thousand for the year, which is 64% over budget. Annual net investment income of $64 thousand has already surpassed fiscal year 2014's total of $62 thousand, with IFA being just four months into fiscal year 2015. The major drivers of this change include a reduced level of trading and holding investments until maturity. Realized and unrealized losses are less than 50% of the budgeted amounts.

b. In October, major closings included the ***Lake Forest College*** and ***Search, Inc.*** which generated fees of $67 and $12 thousand respectively. October's net investment income of $35 thousand was dramatically higher than September's total of just $2 thousand and comparable to August returns of $37 thousand. As a reminder, the low returns in September were due to liquidity needs to fund the DACA loan program, the closing of the IRBB Reserve and other Ziegler-managed IFA accounts and moving funds to Clear Arc.

c. Annual Operating Expenses of $1.2 million are $284 thousand or 19.5% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Year to date, employee expenses are $108 thousand or 15% below budget, professional services are $172 thousand or 34.2% below budget and depreciation costs are $11 thousand or 42% below budget, due to ongoing work being performed on new IT software systems.

d. In October, total professional services of $50 thousand represented a decrease from September of nearly 50%. Legal fees and financial advisory fees were both well below budgeted totals of $380 and $180 thousand respectively. Occupancy costs increased by $31 thousand from September driven exclusively by the payment of moving costs of the Chicago Office from the Prudential Building to Bilandic.

e. Though October activity resulted in a monthly Net Loss of -$18 thousand, on a year to date basis, IFA currently shows Annual Net Income of $143 thousand. Major contributors to the positive bottom line include the transfer of the remaining IRBB reserve funds, lower overall expenses and greater than expected investment returns.

---

[1]***Operating Revenues and Expenses*** are direct results of our basic business operations. ***Non-Operating Revenues and Expenses*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***Net Income/ (Loss)*** is our bottom line.

2. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION

a. IFA continues to maintain a strong balance sheet with total net position at $99.7 million (not including the debt related activity of the component units).

b. In the General Operating Fund, total assets remain at $52.5 million (consisting of cash, investments, and receivables). Unrestricted cash and investments total $25 million, notes receivables for the former IRBB local governments total $22.7 million and restricted cash in the DACA Loan Fund totals $1.3 million.

3. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

a. The Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of $194 thousand. Net investment income in both funds are $10 and $8 thousand respectively. Monies have been invested since July 2014.

b. Other Non-Major Funds booked revenues of $89 thousand, of which, $73 thousand derived from investment activity.

c. The Component Units (IEPA, IMDC, NIU and NIUF) reporting will be updated for the December meeting.

d. The Agency/Fiduciary Funds for IFA include the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund. The Development Fund posted a closing fee of $25,000 from ***Method Products*** for its first transaction which closed on 9/12.

4. FY14 FINANCIAL STATEMENT AUDIT and GFOA/GASB UPDATE

a. The FY14 financial audit is winding down with a short time left until the end of fieldwork.

b. The authority has made significant progress in compiling and issuing its first Comprehensive Annual Financial Report (CAFR). A CAFR is the preferred mechanism for government entities to report their financial condition, in addition to other information regarding its major initiatives, structure, historical trends and capacity, along with the discussion by management of the story behind the numbers.

c. The Government Finance Officers Association (GFOA) winter meetings will take place December 10-12 in Washington, D.C. Various committees including the Committee on Accounting, Auditing and Financial Reporting will meet to discuss upcoming GASB pronouncements, new and pending Federal requirements and current issues affecting government finance nationwide and in Canada.

In connection with General Operating Fund Revenues, Expenses and Net Income, Chairman Brandt questioned Executive Director Meister in connection with the timing of the Authority's move to permanent space. Executive Director Meister initially indicated the Authority expected to be moving from its temporary space in January; however, recently sister agencies have been opaque regarding their willingness to see that the Authority's move occurs in a timely fashion as expected. Therefore, the

Authority may be situated in its temporary office space for an extended period of time under the new administration.

Likewise, Chairman Brandt and Ms. Gildart engaged in a conversation relating to the inability to conduct a cost-benefit analysis at this time for the Authority's move to the Bilandic Building from its previous office space in Two Prudential Plaza.

Chairman Brandt and Executive Director Meister confirmed there is only outstanding litigation item as we approach the end of the calendar year, i.e. Litchfield National Bank. Executive Director Meister also confirmed the only outstanding bond issue which carries the moral obligation of the State of Illinois is the Authority's Illinois Medical District Commission Revenue Bonds, Series 2005. All other bond issues secured by the State's moral obligation have been defeased, including that of the Rural Bond Bank bonds and the City of East St. Louis bonds.

Executive Director Meister, at the request of Chairman Brandt, informed the Committee that he expects proceeds of the State-intercept for Joliet Arsenal Development Authority to be deliverable to the Illinois Finance Authority by the end of the calendar year. Upon receipt, Joliet Arsenal Development Authority will have no outstanding Appropriation Anticipation loans with the Illinois Finance Authority. Moreover, Executive Director Meister expressed his belief that once a land sale closes in the near future with a railroad, Joliet Arsenal Development Authority will no longer need to seek Appropriation Anticipation loans with the Authority to repay it Wells Fargo debt.

Executive Director Meister informed the Committee that Illinois Medical District Commission is developing a plan to address its outstanding bonds.

Finally, Executive Director Meister, at the request of Vice Chairman Goetz, informed the Committee that the Illinois Finance Authority submitted its New Markets Tax Credits application in a timely manner with the Community Development Financial Institutions Fund (the "CDFI Fund") of the U.S. Department of Treasury. Chairman Brandt informed Vice Chairman Goetz that he does not expect awards to be made during this Congressional session.

VI. Monthly Procurement Report

Ms. Gildart presented the Monthly Procurement Report, which included contracts pending execution, contract renewals, new contracts, upcoming solicitations, and a list of vendors procured by the State of Illinois without action needed by Members of the Authority.

Ms. Gildart noted that the solicitation for the Debt Management Software was reissued due to the initial vendor responses not being in compliance with State requirements.

Chairman Brandt informed the Committee that it would be wise to defer the upcoming Compensation Committee scheduled for December 9, 2014 until Members have a clearer picture of the near-future under Governor-Elect Rauner's administration. Chairman Brandt and Members of the Committee agreed that deferring until January or February would be prudent.

Concerning procurement, Executive Director Meister noted that it would not be good practice to defer all items otherwise upcoming because the contract with ADP, Inc. will expire by the end of the fiscal year and is expected to be a lengthy process. This is directly related to the State of Illinois Chief Procurement Office's decision that the Illinois Finance Authority should not have independent authority to procure this type of contract. The Procurement Policy Board has also stated that this type of contract is not within the purview of the Members of the Illinois Finance Authority.

Member Vaught reminded Members that exceptions to procurement authority were evaluated as far back as 2009, and the Illinois General Assembly and Office of the Governor concurred with the recommendations of the Policy Procurement Board and the State of Illinois Chief Procurement Office.

Executive Director Meister noted for the Committee that the Illinois Finance Authority has been more successful than other agencies is receiving exception to undertake its own procurements since 2009. However, the expiring contract with ADP, Inc. does not fall under of the exemptions and the procurement process as a result is expected to take 4-6 months.

Finally, Ms. Gildart informed the Committee that other expiring contracts the Authority should be concerned with are its record management systems contract and accounting software contract. Both expire in February and March, respectively.

VII. Committee Reports

Committee Reports were not discussed.

VIII. Project Reports and Resolutions

Chairman Brandt, Member Lonstein, and Members of the Committee all agreed that Items 1, 2, 3, 4, 5 and 6 were thoroughly reviewed or read in advance.

IX. Other Business

None.

X. Public Comment

None.

XI. Adjournment

At the time of 11:06 a.m., Member Poole moved that the Committee do now adjourn until December 9, 2014, at 9:30 a.m.

Member Fuentes 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
FRIDAY, NOVEMBER 21, 2014
11:12 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 the Michael A. Bilandic Building, 160 North LaSalle Street, Room N – 1808, Chicago, Illinois 60601, on the third Friday of November in the year 2014, 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: 11 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

November 21, 2014

0 YEAS		0 NAYS		11 PRESENT	
P	Bronner (VIA AUDIO CONFERENCE)	E	Leonard	P	Poole
P	Fuentes	P	Lonstein	P	Tessler
P	Goetz (VIA AUDIO CONFERENCE)	E	O'Brien	P	Vaught
P	Gold	P	Parish	E	Zeller
P	Knox	E	Pedersen	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, Chairman from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on November 21, 2014, reported the same back and that all items were thoroughly reviewed or read in advance.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on October 16, 2014 and Financial Statements for the Month Ended October 31, 2014 were taken up for consideration.

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

Member Knox seconded the motion.

And on that motion, a vote was taken resulting as follows: 11 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Ms. Gildart to present the projects and resolutions without guests or abstentions to the Board.

Ms. Gildart presented the following projects:

Agriculture Projects

Item 1: Item 1 is a request for Beginning Farmer Revenue Bond financing.

Thomas Frederick Justison is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Seventy-Three Thousand Four Hundred Dollars** ($173,400). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 27.2 acres of farmland located in Illini Township in Macon County.

Educational, Cultural and Non-Healthcare 501(c)(3) Projects

Item 2: Item 2 is a request for 501(c)(3) Revenue Bond financing.

North Central College is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Sixty-Six Million Five Hundred Thousand Dollars** ($66,500,000).

North Central College (the "**College**") will use the proceeds from the sale of the Series 2014A Bond and other available funds to (a) currently refund and redeem all of the outstanding Illinois Educational Facilities Authority **Variable Rate Demand Revenue Bonds, Series 1998 (ACI/Cultural Pooled Financing Program)** (the "**Series 1998 North Central Bonds**") and the Illinois Finance Authority **Adjustable Rate Demand Revenue Bonds, North Central College, Series 2008** (the "**Series 2008 Bonds**") (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (b) finance or reimburse the College for costs and expenses incurred in connection with the issuance of the Series 2014A Bond, the current refunding and redemption of the Series 1998 North Central Bonds and the Series 2008 Bonds and the termination of an interest rate exchange agreement related to the Series 2008 Bonds if deemed desirable by the College (collectively, the "**2014A Financing Purposes**"); and

The College will use the proceeds from the sale of the Series 2014B Bond and other available funds to (a) finance, refinance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its "educational facilities" (the "**Project**"), (b) currently refund and redeem all of the outstanding Illinois Educational Facilities Authority **Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program)** (the "**Series 1999 North Central Bonds**") (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (c) finance or reimburse the College for costs and expenses incurred in connection with the issuance of the Series 2014B Bond and the current refunding and redemption of the Series 1999 North Central Bonds if deemed desirable by the College (collectively, the "**2014B Financing Purposes**" and, together with the 2014A Financing Purposes, the "**Financing Purposes**").

Member Parish moved for the adoption of the following projects: Items 1 and 2.

Member Fuentes seconded the motion.

And on that motion, a vote was taken resulting as follows: 11 Yeas; 0 Nays; 0 Answering Present.

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

Chairman Brandt directed Ms. Gildart to present the remaining projects without guests or abstentions to the Board.

Ms. Gildart presented the following projects and resolution:

Healthcare Projects

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

Kane County Senior Living (The Reserve of Geneva) is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Thirteen Million Five Hundred Thousand Dollars** ($13,500,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Kane County Senior Living** (the "**Borrower**") to (i) refund the outstanding Illinois Finance Authority Development Revenue Bonds, Series 2005 (The Reserve of Geneva Project) (the "**Series 2005 Bonds**"); (ii) provide funds for capital improvements and refurbishment of the existing project; (iii) provide funds for the acquisition, construction, renovation and refurbishing of various other capital improvements and equipment including a 4,500 square foot addition to provide for eight 2-bed assisted living units and 2 additional independent living units related to the project; and (iv) provide funds for the costs of issuance (the "**Financing Purposes**").

Item 5: Item 5 is a request for 501(c)(3) Revenue Bond financing.

Illinois Valley Community Hospital is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Twenty-Three Million Dollars** ($23,000,000) and authorizing the execution of one or more bond purchase contracts.

Bond proceeds will be used to provide the Borrower with all or a portion of the funds necessary to (i) refund all of the outstanding $22,955,000 Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the "**Series 2009 Bonds**") (the "Refunding") and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Resolutions

Item 6: Item 6 is a Resolution Authorizing Amendment to Agreements Related to Illinois Finance Authority's $10,000,000 (Maximum Principal Amount) Industrial Development Revenue Bond (Sterling Lumber Company Project) Series 2014, and Related Matters.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Items 1 and 2 to the following projects and resolution: Items 4, 5, and 6.

Leave was granted.

These projects and this resolution, having received the votes of a quorum of the Members of the Board, were declared passed and adopted, respectively.

Chairman Brandt directed Ms. Gildart to present the projects which may have guests and/or an abstention.

Ms. Gildart presented the following project:

Healthcare Projects

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

Advocate Health and Hospitals Corporation is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Three Hundred Sixty-Five Million Dollars** ($365,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to (i) advance refund all or a portion of the Authority's Revenue Bonds, Series 2007A (Sherman Health Systems) in the original aggregate principal amount of $170,000,000 (the "**Series 2007 Bonds**") and its Revenue Bonds, Series 2008D (Advocate Health Care Network) (the "**Series 2008D Bonds**" and, together with the Series 2007A Bonds, the "**Prior Bonds**"), the proceeds of which were used to finance, refinance or reimburse the Borrower, Advocate Condell Medical Center and/or Advocate Sherman Hospital for the costs of certain of their health facilities; (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower;

(iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds and the refinancing of the Prior Bonds.

Chairman Brandt announced that Mr. Jim Doheny, Vice President and Corporate Controller of Advocate Health Care, was present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Doheny.

Member Parish moved for the adoption of the following project: Item 3.

Member Knox seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Abstention (Goetz); 0 Answering Present.

Vice Chairman Goetz desired to be recorded as abstaining from the vote due to a family member's contractual relationship with the Borrower.

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

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 next regular meeting of the Board will be held on December 9, 2014.

At the time of 11:25 a.m., Member Knox moved that the Board do now adjourn until December 9, 2014, at 10:30 a.m.

Member Bronner seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

ILLINOIS FINANCE AUTHORITY
160 North LaSalle Street
Suite C-800
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

FINANCIAL ANALYSIS
December 9, 2014

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF NOVEMBER 30, 2014

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. Annual Operating Revenues totaled $1.3 million, while annual Net Non-Operating Revenues totaled $83 thousand. Total annual combined revenues of $1.4 million are $453 thousand or 24.6% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees year to date of $582 thousand, are $454 thousand or 43.9% below budget. Included in Interest Income on Loans, the year to date revenue accrued for interest due from the former IRBB local governments totaled $478 thousand. Annual fees of $153 thousand are 9.1% or nearly $13 thousand higher than budget. Application fees are also higher at $25 thousand for the year, which is 45.9% over budget. Annual net investment income of $83 thousand is currently $21 thousand higher than fiscal year 2014's ending total. The major drivers of this positive change include a reduced level of trading and holding investments until maturity. Realized and unrealized losses are only 35% of the budgeted amounts.

b. In November, TEFRA fees totaling $20 thousand were received for ***Hospital Sisters*** and ***Wisconsin II Senior Living***. November's net investment income of $16 thousand, showed a decrease from October due to a lower number of securities paying interest this month and timing differences. A final transfer of $177 thousand in remaining loan receivables from the IRBB reserve fund to the General Operating fund was also executed.

c. Annual Operating Expenses of $1.4 million are $377 thousand or 20.6% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Year to date, employee expenses are $764 thousand or 15.5% below budget, professional services are $415 thousand or 33.8% below budget and depreciation costs are $19 thousand or 42% below budget-due to ongoing work being performed on new IT software systems. Annual occupancy costs are $122 thousand and $10 thousand or 8.4% under budget.

d. In November, total professional services of $85 thousand included accruals of $24 thousand and $22 thousand for legal and financial advisory services. Occupancy costs of only $8 thousand, is a sharp decrease from October due to last month's payment of moving expenses for the Chicago Office from the Prudential Building to Bilandic.

e. November activities resulted in monthly Net Income of $89 thousand. On a year to date basis, IFA currently shows Annual Net Income of $233 thousand. Major contributors to the positive bottom line include the transfer of the remaining IRBB reserve funds, lower overall expenses and greater than expected investment returns. Budgeted income at this point in the fiscal year is only $15 thousand-we are currently at more than 15 times that level.

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF NOVEMBER 30, 2014 (CONT'D)

2. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION

a. IFA continues to maintain a strong balance sheet with total net position at $99.7 million (not including the debt related activity of the component units).

b. In the General Operating Fund, total assets remain at $52.7 million (consisting of cash, investments, and receivables). Unrestricted cash and investments total $25 million, notes receivables for the former IRBB local governments total $22.7 million, other loans receivables are at $2.7 million and restricted cash in the DACA Loan Fund totals $1.3 million.

3. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

a. The Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of $228 thousand. Net investment income from both funds equals $18 thousand and $13 thousand respectively. Monies have been invested since July 2014.

b. Other Non-Major Funds booked revenues of $105 thousand, of which, $88 thousand is derived from investment activity. Year to date the nonmajor funds show a net loss of $193 thousand driven by the transfer of the IRBB reserve funds to the General Operating fund. All other activities result in net income of $100 thousand as of November.

c. The Agency/Fiduciary Funds for IFA include both the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund, with combined current assets of $60 thousand.

4. FY14 FINANCIAL STATEMENT AUDIT and GFOA/GASB UPDATE

a. Fieldwork is completed in the FY14 financial audit and the Office of the Auditor General is currently reviewing.

b. The authority has made significant progress in compiling and issuing its first Comprehensive Annual Financial Report (CAFR). A CAFR is the preferred mechanism for government entities to report their financial condition, in addition to other information regarding its major initiatives, structure, historical trends and capacity, along with the discussion by management of the story behind the numbers.

c. As a reminder, the Government Finance Officers Association (GFOA) winter meetings will take place December 10-12 in Washington, D.C. Several accounting issues will be discussed which may impact financial accounting and reporting for the Authority.

---

[1] ***Operating Revenues and Expenses*** are direct results of our basic business operations. ***Non-Operating Revenues and Expenses*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***Net Income/ (Loss)*** is our bottom line.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2015 AS OF NOVEMBER 30, 2014
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	2015 BUDGET VARIANCE ($)	2015 BUDGET VARIANCE (%)
Operating Revenues:									
Closing Fees	66,825	295,753	138,542	78,500	2,150	581,770	1,036,250	(454,480)	-43.9%
Annual Fees	10,367	42,720	31,533	34,580	34,230	153,430	140,625	12,805	9.1%
Administrative Service Fees	-	10,000	15,000	-	20,000	45,000	47,917	(2,917)	-6.1%
Application Fees	1,100	14,328	4,300	2,700	2,500	24,928	17,085	7,843	45.9%
Miscellaneous Fees	62	-	-	-	-	62	25,000	(24,938)	-99.8%
Interest Income-Loans	120,406	67,709	102,031	102,123	106,114	498,383	483,263	15,120	3.1%
Other Revenue	272	291	-	269	287	1,119	2,000	(881)	-44.1%
Total Operating Revenue:	**$ 199,032**	**$ 430,801**	**$ 291,406**	**$ 218,172**	**$ 165,281**	**$ 1,304,692**	**$ 1,752,140**	**$ (447,448)**	**-25.5%**
Operating Expenses:									
Employee Related Expense	158,165	155,946	152,957	148,571	148,404	764,044	904,615	(140,571)	-15.5%
Professional Services	2,882	179,754	97,492	49,885	84,877	414,890	627,075	(212,185)	-33.8%
Occupancy Costs	26,485	26,590	9,247	40,454	8,583	111,359	121,520	(10,161)	-8.4%
General & Administrative	28,707	28,568	26,718	28,656	26,890	139,539	139,292	247	0.2%
Depreciation and Amortization	3,847	3,847	3,847	3,876	3,876	19,293	33,333	(14,040)	-42.1%
Total Operating Expense	**$ 220,086**	**$ 394,705**	**$ 290,261**	**$ 271,442**	**$ 272,630**	**$ 1,449,125**	**$ 1,825,835**	**$ (376,710)**	**-20.6%**
Operating Income(Loss)	**$ (21,054)**	**$ 36,096**	**$ 1,145**	**$ (53,270)**	**$ (107,349)**	**$ (144,433)**	**$ (73,695)**	**$ (70,738)**	**-96.0%**
Nonoperating Revenues (Expenses):									
Bad Debt Recoveries and Adjustments	-	-	-	-	-	-	6,250	833	-100.0%
Miscellaneous Non-Operating Revenues/(Expense	-	-	-	-	-	-	(833)	(6,250)	-100.0%
Interest and Investment Income	26,997	34,457	19,837	29,932	15,661	126,884	208,583	(81,699)	-39.2%
Realized Gain (Loss) on Sale of Investment	-	(444)	(19)	(31)	(5)	(499)	(20,833)	20,334	-97.6%
Net Appreciation (Depr) in fair value of Investments	(38,575)	3,960	(17,901)	5,423	3,764	(43,329)	(104,167)	60,838	-58.4%
Total Nonoperating Revenues (Expenses)	**$ (11,578)**	**$ 37,973**	**$ 1,917**	**$ 35,324**	**$ 19,420**	**$ 83,056**	**$ 89,000**	**$ (5,944)**	**-6.7%**
Net Income (Loss) Before Transfers	**$ (32,632)**	**$ 74,069**	**$ 3,062**	**$ (17,946)**	**$ (87,929)**	**$ (61,377)**	**$ 15,305**	**$ (76,682)**	**-501.0%**
Transfers:									
Transfers in from other funds	-	2,263,041	116,837	10	177,108	2,556,996	-	-	0.0%
Transfers out to other funds	-	(2,263,041)	-	-	-	(2,263,041)	-	-	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ 116,837**	**$ 10**	**$ 177,108**	**$ 293,955**	**$ -**	**$ -**	**0.0%**
Net Income (Loss)	**$ (32,632)**	**$ 74,069**	**$ 119,899**	**$ (17,936)**	**$ 89,179**	**$ 232,578**	**$ 15,305**	**217,273**	**1419.6%**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND AGENCY FUND ACTIVITY
FOR FISCAL YEAR 2015 AS OF NOVEMBER 30, 2014
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
Operating Revenues:						
Closing Fees	581,770	-	-	-	581,770	25,000
Annual Fees	153,430	-	-	-	153,430	-
Administrative Service Fees	45,000	-	-	-	45,000	-
Application Fees	24,928	-	-	-	24,928	-
Miscellaneous Fees	62	227,857	-	-	227,919	-
Interest Income-Loans	498,383	-	-	16,395	514,778	-
Other Revenue	1,119	-	-	-	1,119	-
Total Operating Revenue:	**$ 1,304,692**	**$ 227,857**	**$ -**	**$ 16,395**	**$ 1,548,944**	**$ 25,000**
Operating Expenses:						
Employee Related Expense	764,044	-	-	-	764,044	-
Professional Services	414,890	-	-	2,423	417,313	66
Occupancy Costs	111,359	-	-	-	111,359	-
General & Administrative	139,539	-	-	-	139,539	-
Interest Expense	-	-	-	1,785	1,785	-
Depreciation and Amortization	19,293	-	-	-	19,293	-
Total Operating Expense	**$ 1,449,125**	**$ -**	**$ -**	**$ 4,208**	**$ 1,453,333**	**$ 66**
Operating Income(Loss)	**$ (144,433)**	**$ 227,857**	**$ -**	**$ 12,187**	**$ 95,611**	**$ 24,934**
Nonoperating Revenues (Expenses):						
Interest and Invesment Income	126,884	27,359	19,401	127,062	300,706	-
Realized Gain (Loss) on Sale of Investment	(499)	(16)	(17)	(1,737)	(2,269)	-
Net Appreciation (Depr) in fair value of	(43,329)	(9,431)	(6,551)	(36,944)	(96,255)	-
Total Nonoperating Revenues (Expenses)	**$ 83,056**	**$ 17,912**	**$ 12,833**	**$ 88,381**	**$ 202,182**	**$ -**
Net Income (Loss) Before Transfers	**$ (61,377)**	**$ 245,769**	**$ 12,833**	**$ 100,568**	**$ 297,793**	**$ 24,934**
Transfers:						
Transfers in from other funds	2,556,996	-	-	-	2,556,996	-
Transfers out to other funds	(2,263,041)	-	-	(293,955)	(2,556,996)	-
Total Transfers In (Out)	**$ 293,955**	**$ -**	**$ -**	**$ (293,955)**	**$ -**	**$ -**
Net Income (Loss)	**$ 232,578**	**$ 245,769**	**$ 12,833**	**$ (193,387)**	**$ 297,793**	**$ 24,934**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
November 30, 2014
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
Assets and Deferred Outflows:						
Current Assets:						
Unrestricted:						
Cash & cash equivalents	7,805,800	-	-	1,224,600	9,030,400	-
Investments	4,567,720	-	-	3,962,497	8,530,217	-
Accounts receivable, Net	169,318	-	-	-	169,318	-
Loans receivables, Net	627,351	-	-	-	627,351	-
Accrued interest receivable	468,573	-	-	46,252	514,825	-
Bonds and notes receivable	2,003,000	-	-	-	2,003,000	-
Due from other funds	91,168	-	-	-	91,168	-
Due from other local government agencies		-	-	3,000,000	3,000,000	-
Prepaid Expenses	163,283	-	-	-	163,283	-
Total Current Unrestricted Assets	**$ 15,896,213**	**$ -**	**$ -**	**$ 8,233,349**	**$ 24,129,562**	**$ -**
Restricted:						
Cash & Cash Equivalents	1,280,252	192,145	11,099	2,111,725	3,595,221	60,094
Investments	-	1,836,144	1,447,754	233,603	3,517,501	-
Accrued interest receivable	-	24,455	14,942	5,964	45,361	-
Loans receivables, Net	-	500	-	62,027	62,527	-
Total Current Restricted Assets	**$ 1,280,252**	**$ 2,053,244**	**$ 1,473,795**	**$ 2,413,319**	**$ 7,220,610**	**$ 60,094**
Total Current Assets	**$ 17,176,465**	**$ 2,053,244**	**$ 1,473,795**	**$ 10,646,668**	**$ 31,350,172**	**$ 60,094**
Non-current Assets:						
Unrestricted:						
Investments	12,664,391	-	-	8,353,956	21,018,347	-
Loans receivables, Net	2,050,721	-	-	-	2,050,721	-
Bonds and notes receivable	20,682,037	-	-	-	20,682,037	-
Total Noncurrent Unrestricted Assets	**$ 35,397,149**	**$ -**	**$ -**	**$ 8,353,956**	**$ 43,751,105**	**$ -**
Restricted:						
Cash & Cash Equivalents	-	87,247	1	18,551,134	18,638,382	-
Investments	-	4,117,965	2,403,453	475,047	6,996,465	-
Loans receivables, Net	-	15,547,579	321,600	1,495,933	17,365,112	-
Bonds and notes receivable from primary government	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-
Total Noncurrent Restricted Assets	**$ -**	**$ 19,752,791**	**$ 2,725,054**	**$ 20,522,114**	**$ 42,999,959**	**$ -**
Capital Assets						
Capital Assets	839,577	-	-	-	839,577	-
Accumulated Depreciation	(735,972)	-	-	-	(735,972)	-
Total Capital Assets	**$ 103,605**	**$ -**	**$ -**	**$ -**	**$ 103,605**	**$ -**
Total Noncurrent Assets	**$ 35,500,754**	**$ 19,752,791**	**$ 2,725,054**	**$ 28,876,070**	**$ 86,854,669**	**$ -**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
November 30, 2014
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
Total Assets	**$ 52,677,219**	**$ 21,806,035**	**$ 4,198,849**	**$ 39,522,738**	**$ 118,204,841**	**$ 60,094**
Liabilities:						
Current Liabilities:						
Payable from unrestricted current assets:						
Accounts payable	122,655	-	-	25,313	147,968	-
Accrued liabilities	117,988	-	-	-	117,988	-
Due to employees	89,452	-	-	-	89,452	-
Due to other funds	73,765	-	-	17,403	91,168	-
Other liabilities	-	-	-	-	-	60,094
Unearned revenue, net of accumulated amortization	119,005	-	-	-	119,005	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 522,865**	**$ -**	**$ -**	**$ 42,716**	**$ 565,581**	**$ 60,094**
Payable from restricted current assets:						
Due to primary government	-	1,430,544	94,320	-	1,524,864	-
Accrued interest payable	-	-	-	4,222	4,222	-
Current portion of long term debt	-	-	-	59,390	59,390	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**	**$ 1,430,544**	**$ 94,320**	**$ 63,612**	**$ 1,588,476**	**$ -**
Total Current Liabilties	**$ 522,865**	**$ 1,430,544**	**$ 94,320**	**$ 106,328**	**$ 2,154,057**	**$ 60,094**
Noncurrent Liabilities						
Payable from unrestricted noncurrent assets:						
Accrued liabilities	22,222	-	-	-	22,222	-
Assets	**$ 22,222**	**$ -**	**$ -**	**$ -**	**$ 22,222**	**$ -**
Payable from restricted noncurrent assets:						
Due to primary government	-	15,622,269	321,600	-	15,943,869	-
Noncurrent portion of long term debt	-	-	-	369,080	369,080	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ 15,622,269**	**$ 321,600**	**$ 369,080**	**$ 16,312,949**	**$ -**
Total Noncurrent Liabilities	**$ 22,222**	**$ 15,622,269**	**$ 321,600**	**$ 369,080**	**$ 16,335,171**	**$ -**
Total Liabilities	**$ 545,087**	**$ 17,052,813**	**$ 415,920**	**$ 475,408**	**$ 18,489,228**	**$ 60,094**
Net Position:						
Net Investment in Capital Assets	103,605	-	-	-	103,605	-
Restricted	-	4,507,453	3,770,096	22,418,034	30,695,583	-
Unrestricted	51,795,949	-	-	16,822,683	68,618,632	-
Current Change in Net Position	232,578	245,769	12,833	(193,387)	297,793	-
Total Net Position	**$ 52,132,132**	**$ 4,753,222**	**$ 3,782,929**	**$ 39,047,330**	**$ 99,715,613**	**$ -**

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To:	Illinois Finance Authority Board of Directors
From:	Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date:	December 9, 2014
Re:	Monthly Procurement Report

ACTIVE SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Debt Management Software Application	To be provided for December 2014 Board Meeting ***(IL Procure Code). System demostrations were held on Nov 14th.***	3	01/15-12/17	TBD	N/A	N/A	N/A
Accounting and Auditing Services Pool	To be provided for January 2015 Board Meeting ***(IFA). A follow up RFP will be issued for specialty audit services; debt verification and tax support services. No responses were received for these categories.***	3	01/15-12/17	$ 225,000	N/A	N/A	N/A

UPCOMING SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value*	Prior Contract NTE Value*	Prior Contract Expense*	Avg Yrly Prior Contract Expense
Investment Advisor and/or Management Services	Per BOD Direction: To be provided for February 2015 Board Meeting ***(IFA)***	2	02/15-01/17	$ -	N/A	N/A	N/A
Payroll and HR Benefit Services	To be provided for March 2015 Board Meeting ***(IL Procure Code)***	5	07/15-06/20	$ 850,000	$ 233,000	$ 170,000	$ 170,000
Accounting Software Maintenance and Support	To be provided for March 2015 Board Meeting ***(IL Procure Code)***	3	03/15-02/18	$ 148,500	$ 49,500	$ 49,500	$ 49,500
Loan Management and Servicing	Current Vendor: Mabsco Capital Inc. ***(IL Procure Code)***	3	07/15-06/18	$ 300,000	$ 300,000	$ 158,662	$ 52,887
Insurance Broker	Current Vendor: Mesirow Insurance Services, Inc. ***(IL Procure Code)***	3	07/15-06/18	$ 68,700	$ 68,700	$ 68,700	$ 22,900
Legislative Services	Current Vendor: Howard Kenner Gov't Consulting ***(IL Procure Code)***	3	07/15-06/18	$ 180,000	$ 180,000	$ 180,000	$ 60,000
Marketing Services	Current Vendors: Marj Halpern & Hill Knowlton ***(IL Procure Code)***	2	07/15-06/18	$ 300,000	$ 300,000	$ 179,276	$ 89,638

For comparison purposes only. Includes only the initial term, not renewals.

UPCOMING RENEWALS

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

ILLINOIS FINANCE AUTHORITY

To:	Illinois Finance Authority Board of Directors
From:	Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date:	December 9, 2014
Re:	Monthly Procurement Report

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Energy Effiency Projects-No Fee to IFA	Hanson Professionals Services, Inc. ***(IFA)***	5	02/15-02/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Siemens Industry Inc. ***(IFA)***	5	03/15-03/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Johnson Controls, Inc. ***(IFA)***	5	10/15-10/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Hill Mechanical Group ***(IFA)***	5	10/15-10/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Utilities Dynamics, Inc. ***(IFA)***	5	10/15-10/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Ameresco, Inc. ***(IFA)***	5	11/15-11/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Honeywell International, Inc. ***(IFA)***	5	11/15-11/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Kenny Construction ***(IFA)***	5	11/15-11/20	$ -	N/A	N/A	N/A
Energy Effiency Projects-No Fee to IFA	Noresco, LLC ***(IFA)***	5	11/15-11/20	$ -	N/A	N/A	N/A
Insurance Broker for Energy Effiency Projects-No Fee to IFA	Mesirow Insurance Services, INC ***(IFA)***	5	10/15-10/20	$ -	N/A	N/A	N/A
Insurance Broker for Energy Effiency Projects-No Fee to IFA	AON Risk Services Central, INC. ***(IFA)***	5	11/15-11/20	$ -	N/A	N/A	N/A

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

Per discussion with the Procurement Policy Board, Chief Procurement Officer, and the Authority, an intergovernmental agreement will be drafted and submitted to the Board for approval to further clarify specific compliance, procedures and responsiblities needed for Authority management to fulfill its obligation under the Illinois Procurement Code and IFA's own Procurement Policy.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher

Date: December 9, 2014

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $509,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $901,440**
- **Calendar Year Summary:** (as of December 9, 2014)
  - Volume Cap: $12,000,000
  - Volume Cap Committed: $4,023,553
  - Volume Cap Remaining: $7,976,487
  - Average Farm Acreage: 64
  - Number of Farms Financed: 17
- **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-8712**
Borrower(s):	**Mulch, David T.**
Borrower Benefit:	First Time Land Buyer
Town:	Raymond, IL
IFA Bond Amount:	**$509,600**
Use of Funds:	Farmland – 80 acres of farmland
Purchase Price:	$1,005,149 / $12,564 per acre
%Borrower Equity	5%
% USDA Farm Service Agency	29.85% *(Subordinate Financing)*
% First National Bank of Raymond	14.45% *(Subordinate Financing)*
%IFA	50.70%
Township:	Raymond
Counties/Regions:	Montgomery/ Central
Lender/Bond Purchase:	First National Bank of Raymond / Neil Jordan
Legislative Districts:	Congressional: 13
	State Senate: 48
	State House: 95

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on February 1, 2016. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2016 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-8713**
Borrower(s):	**Rosenthal, Mitchell A.**
Borrower Benefit:	First Time Land Buyer
Town:	Raymond, IL
IFA Bond Amount:	**$391,840**
Use of Funds:	Farmland – 60 acres of farmland including buildings & grain bins
Purchase Price:	$728,253 / $11,829 per acre
%Borrower Equity	5%
% USDA Farm Service Agency	41% *(Subordinate Financing)*
%IFA	54%
Township:	Raymond
Counties/Regions:	Montgomery/ Central
Lender/Bond Purchase:	First National Bank of Raymond / Scott Niehaus
Legislative Districts:	Congressional: 15
	State Senate: 51
	State House: 102

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on March 1, 2016. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 1, 2016 with the twentieth and final payment of all outstanding balances due March 1, 2035.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: December 9, 2014

Re: Final Bond Resolution – A Resolution authorizing the Issuance of Local Government Program Revenue Bonds Series 2015 on behalf of Pace, the Suburban Bus Division of the Regional Transportation Authority (Pace – Revenue Bond Projects), in an aggregate principal amount not exceeding $12,000,000; authorizing the competitive sale thereof and award of the sale to the Bond Purchaser; authorizing the execution and delivery of a Depository Agreement, a Local Government Securities Purchase Agreement and related documents; approving the advertisement for bids and the distribution to certain financial institutions of a Notice of Sale and Bond Term Sheet, and related matters

---

Request:

Pace, the Suburban Bus Division of the Regional Transportation Authority ("**Pace**") is requesting that the **Illinois Finance Authority** ("**IFA**" or the "**Authority**") consider issuing up to $12 million of Bonds under the IFA Local Government Financing Assistance Program, the proceeds of which would be used for the purpose of purchasing local government revenue bonds of Pace issued pursuant to the **Regional Transportation Authority Act** ("**RTA Act**").

Pace would use the $12 million of bond proceeds to finance conversion of its South Division garage facility in Markham to a compressed natural gas (CNG) facility. The South Division CNG conversion project is one of four Pace projects authorized for revenue bond financing under the RTA Act (at a maximum amount of $12 million). Overall, the combined maximum authorized issuance amounts for the four projects total $100 million.

The IFA Local Government Program Revenue Bonds will be sold pursuant to a Notice of Sale and Public Bid to certain financial institutions that will be posted in early January. The expected amortization of the Bonds is ten years.

The IFA Local Government Program Bonds to be issued on behalf of Pace would be exempt from both federal and State of Illinois income taxation. Accordingly, the benefits of the federal and state tax exemptions will be passed through to Pace.

The accompanying Board Summary Report describes the terms of the proposed Pace financing pursuant to a Notice of Sale and Public Bid in detail.

Additional background regarding prior IFA Board Action authorizing execution of an Intergovernmental Agreement with Pace follows below.

Background:

On November 14, 2013, the IFA Board of Directors approved a Resolution authorizing the Authority to enter into an Intergovernmental Agreement with Pace. The Voting Record for the November 14, 2013 Resolution is reported below on page 2 of this memorandum.

Pace is governed by a 13-member Board of Directors (the "**Pace Service Board**").

In 2013, the Pace Service Board requested the IFA to enter into the Intergovernmental Agreement in order to (i) assist Pace with the selection of various professionals in connection with obtaining revenue bond financing for up to four specified projects authorized pursuant to amendments to the **Regional Transportation Authority Act** (the "**RTA Act**") that became effective in 2013 and authorized Pace to issue up to $100 million of revenue bonds for the purpose of financing the specified projects, and (ii) issue

IFA Local Government Program Revenue Bonds to assist Pace in financing the four authorized projects pursuant to requirements set forth in the RTA Act.

Pursuant to the Intergovernmental Agreement, IFA's principal commitments include working with and assisting Pace from time to time to issue Bonds to finance all or a portion of the authorized projects. Additionally, the IFA is responsible for selecting and retaining the legal and financial professionals required to structure and document financing for the projects, including, without limitation, underwriters, financial advisors, and attorneys.

Pace's principal commitments under the Intergovernmental Agreement include the Pace Service Board agreeing to (i) issue its revenue bonds, (ii) provide for the repayment of its revenue bonds pursuant to applicable statutory authority, and (iii) obtain (pursuant to Section 3A.09(e) of the RTA Act) RTA Board approval of both (a) the issuance of the Pace revenue bonds and (b) the Bonds issued by IFA on behalf of Pace for the specified projects, whenever applicable.

As contemplated, Pace may ultimately decide if and when to issue its revenue bonds to finance all, or a portion of, the four authorized projects, as deemed necessary or advisable by the Pace Service Board.

Pursuant to the Intergovernmental Agreement, the Authority engaged a financial advisor for Pace (Acacia Financial Group, Inc.) and bond counsel (Thompson Coburn LLP) for Pace at the request of Pace to evaluate prospective structures based on Pace's statutory requirements, which require that at least 25% of the total principal amount of all Pace revenue bonds authorized under the RTA be sold pursuant to notice of sale and public bid.

As a result of this preliminary due diligence, it was recommended that Pace pursue the issuance and sale of the initial $25 million of its $100 million authorization pursuant to a notice of sale and public bid. Accordingly, the proposed IFA Series 2015 Bonds for Pace's South Division CNG project will be sold pursuant to a notice of sale and public bid.

Voting Record – Resolution Authorizing Execution of an Intergovernmental Agreement with Pace:

9 Yeas; 0 Nays; 1 Abstention (Fuentes); 5 Absent (Lonstein; O'Brien; Parish; Pedersen; Tessler)

CONDUIT

December 9, 2014

$12,000,000 (not-to-exceed amount)
Pace, the Suburban Bus Division of the Regional Transportation Authority

REQUEST

Purpose: The Authority's Series 2015 Bond proceeds will be used to acquire revenue bonds (the "Local Government Bonds") issued by Pace, the Suburban Bus Division of the Regional Transportation Authority ("Pace"), issued pursuant to the Regional Transportation Authority ("RTA") Act, 70 ILCS 3615, with the proceeds ultimately used by Pace to convert Pace's South Division garage in Markham into a compressed natural gas facility (the "Pace CNG" Project).

Pace is authorized by 70 ILCS 3615/3A.09(e) (the "Pace Bonding Authority") to issue revenue bonds for specified projects with the approval of the Regional Transportation Authority, including an amount not-to-exceed $12.0 million to finance the Pace CNG Project.

Program Product Type: Local Government Program Revenue Bonds

IFA/State Funds at Risk: None

BOARD ACTIONS

Final Bond Resolution (One-time consideration)

MATERIAL CHANGES

None. This is the first time this Project has been presented to the IFA Board of Directors.

JOB DATA

260; (236 FTE)	Current jobs (South Garage only)	N/A	New jobs projected
N/A	Retained jobs	14 average	Construction jobs projected (9 months)

BORROWER DESCRIPTION

- Type of Entity: Service Board to the Regional Transportation Authority (Unit of Local Government)
- Location: Markham / Cook County / Northeast Region
- Borrower's Mission: Provides bus and American with Disabilities Act transportation services to customers in Cook, DuPage, Kane, Lake, McHenry, and Will Counties in Illinois
- Project Impact: The project will enable Pace to convert its South Suburban fleet to CNG fueling with its own dedicated CNG fueling facility and other capital improvements at its South Division Garage in Markham.
- Pace, subject to the approval of the RTA, is authorized pursuant to the RTA Act to issue revenue bonds to finance certain specified projects (including up to $12.0 million for the CNG Project).
- Pace, subject to the approval of the RTA, has requested to participate in the Authority's Illinois Local Government Financing Assistance Program pursuant to the Illinois Finance Authority Act (20 ILCS 3501/801-1 et seq., as supplemented or amended).

STRUCTURE

- **Bond Purchaser**: To be determined through a competitive direct purchase bid (and selected on the basis of the overall lowest True Interest Cost).
- **Security:** The IFA Bonds will be Revenue Bonds payable from and secured solely by payments made by Pace to the Authority on the Local Government Bonds. The underlying Pace Bonds will be secured by a pledge by Pace of its operating revenue as specified in the Pace Authorizing Bond Resolution (i.e., pledged revenues include Pace's Farebox Revenues and other specified operating revenues).
- **Excluded from Security:** *The Bonds will not be payable in any manner from moneys that Pace may receive from the RTA pursuant to Section 4.03.3(f) of the RTA Act, consisting of certain sales and other taxes imposed by the RTA and distributed to Pace and other service boards per the RTA Act. The Bonds will not constitute an indebtedness or an obligation (general or moral) or a pledge of the faith or a loan of credit by the Authority, the State of Illinois, or any political subdivision thereof. Neither the faith and credit nor the taxing power, if any of the IFA or the State of Illinois are pledged to any payments on the Bonds or related costs.*
- **Final Maturity Date:** December 15, 2024 (approximately 10 years); as determined by competitive bid, the Bonds will be sold either as (i) serial bonds with annual maturities of $1.2 million, or (ii) term bonds with annual sinking fund installments of $1.2 million.
- **Interest Rate:** The Bonds will bear fixed tax-exempt interest rates as determined by the best responsive bid to be determined in the manner described in a Notice of Sale (to be posted in January 2015, as presently contemplated).
- **Bonds will not be rated:** Pace is currently not rated and neither the Pace Local Government Bonds nor the IFA Local Government Program Revenue Bonds will be rated by a nationally-recognized rating agency.

SOURCES AND USES (SUBJECT TO CHANGE)

Sources:		**Uses:**	
IFA New Money Bonds	$12,000,000	New Project	$12,000,000
Pace Cash	1,473,500	Debt Service Reserve Fund	1,200,000
		Costs of Issuance	273,500
Total	**$13,473,500**	**Total**	**$13,473,500**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: Pace, the Suburban Bus Division of the Regional Transportation Authority

STATISTICS

Project Number:	L-LG-TE-CE-8715	Amount:	$12,000,000 (*not-to-exceed amount*)
Type:	Local Government Rev. Bonds	IFA Staff:	Rich Frampton & Brad R. Fletcher
Locations:	Markham	Counties/Regions:	Cook/Northeast

BOARD ACTION

Final Bond Resolution (One-time consideration)	No IFA Funds at risk
Conduit Local Government Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

VOTING RECORD

Although this is the first time a Resolution to issue IFA Bonds on behalf of Pace to finance the authorized projects has been considered, the IFA Board approved a Resolution in November 2013 which authorized negotiation and execution of an Intergovernmental Agreement with Pace in connection with the series of financings authorized by amendments to the RTA Act.

PURPOSE

The Authority's Series 2015 Bond proceeds will be used to acquire revenue bonds (the "Local Government Bonds") issued by Pace, the Suburban Bus Division of the Regional Transportation Authority ("Pace"), issued pursuant to the Regional Transportation Authority ("RTA") Act, 70 ILCS 3615, with the proceeds ultimately used by Pace to convert Pace's South Division garage in Markham into a compressed natural gas facility (the "Pace CNG" Project).

Pace is authorized by 70 ILCS 3615/3A.09(e) (the "Pace Bonding Authority") to issue revenue bonds for specified projects with the approval of the Regional Transportation Authority, including an amount not-to-exceed $12.0 million to finance the Pace CNG Project.

VOLUME CAP

No Volume Cap is required for Local Government Bond financing.

JOBS

Current employment:	260 (South Cook Garage)	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	14 average; 45 peak (9 mo's.)

ESTIMATED SOUCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:	IFA New Money Bonds	$12,000,000	Uses:	New Project	$12,000,000
	Pace Cash:	1,473,500		Debt Service Reserve Fund	1,200,000
				Costs of Issuance	273,500
	Total	**$13,473,500**		**Total**	**$13,473,500**

FINANCING SUMMARY/STRUCTURE/SUMMARY OF TERMS

Below is a near-final description of the anticipated terms that would be posted in connection with the competitive direct purchase bid (or Notice of Sale) as of 12/3/2014. These terms are subject to refinement prior to posting of the Notice of Sale.

Issuer: Illinois Finance Authority

Local Government Borrower (on IFA Bonds):	Pace, the Suburban Bus Division of the Regional Transportation Authority
Purchaser:	A Purchaser will be selected through a competitive direct purchase bid and selected on the basis of the overall lowest True Interest Cost (with the computation inclusive of purchaser-related fees).
Par Amount:	$12,000,000
Purpose:	<u>*IFA Bonds:*</u> IFA Series 2015 Local Government Program Revenue Bond proceeds will be used to acquire revenue bonds issued by Pace (the "Local Government Bonds"). <u>*Pace Revenue Bonds:*</u> Pace Revenue Bond proceeds will be used to finance a $12 million project for converting the South Cook garage in Markham, Illinois to a Compressed Natural Gas facility (the "CNG Project"), as authorized under the Suburban Bus Division Article (the "Pace Legislation") of the Regional Transportation Authority Act (the "RTA Act"). *Also see p. 5 (Scope of Pace Bond Issuance Authority) for a discussion of the four authorized projects (and the respective amounts allocated to each project) eligible to be financed with proceeds of a Pace revenue bond issue.*
Structure:	The Purchaser will purchase tax-exempt fixed rate bonds issued by the IFA (the "Bonds") which may be structured at the option of the Purchaser as (i)serial bonds with annual maturities on each December 15 of $1,200,000, commencing on December 15, 2015, through and including a final maturity date for the Bonds of December 15, 2024, or (ii) term bonds having annual sinking fund installments of $1,200,000 in the aggregate, also commencing on December 15, 2015 and continuing through and including a final maturity for the Bonds of December 15, 2024, or (iii) a combination of serial and term bonds, provided that annual amortization of principal shall equal $1,200,000 in the aggregate. While held, the Bonds (i) shall not be rated by any rating agency, (ii) will be issued in certificated form and will not be book-entry only through DTC, (iii) shall not be assigned a CUSIP number, and (iv) shall not be marketed pursuant to an official statement or any other form of offering document. Other than mandatory sinking fund redemption (if the Bonds are structured as term bonds), the Bonds will not otherwise be subject to optional redemption or acceleration prior to the maturity date for the Bonds.
Security:	The Bonds are payable from and secured by payments made to the IFA under the Local Government Program Bonds by Pace. The Local Government Bonds issued by Pace will be secured by a pledge by Pace of its operating revenue that will be specified in a Pace Authorizing Bond Resolution (and comprised of Pace's Farebox Revenues, advertising, and related self-generated operating revenues). The Bonds will <u>**not**</u> be payable in any manner from moneys that Pace may receive from the Regional Transportation Authority (the "RTA") pursuant to Section 4.03.3(f) of the RTA Act, consisting of certain sales and other taxes imposed by the RTA and distributed to Pace and other service boards pursuant to the RTA Act.
Special Obligations of the IFA:	The Bonds and the interest thereon shall be special, limited obligations of the IFA, payable by the IFA only from the revenues derived from the payment of the principal of and interest on the Local Government Bonds, and will not constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or a loan of credit of the IFA, the State of Illinois or any political subdivision thereof, within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. Neither the IFA, the State of Illinois nor any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the payments received from the Local Government Bonds.

	Neither the faith and credit nor the taxing power, if any, of the IFA or the State of Illinois will be pledged to the payment of the principal of, premium, if any, and interest on the Bonds or other costs incidental thereto. [The IFA does not have the power to levy taxes for any purposes whatsoever.]
Final Maturity Date:	December 15, 2014
Targeted Closing Date:	On or about February 24, 2015
Interest Rate:	The Bonds will bear fixed tax-exempt interest rates to be determined by the best responsive bid pursuant to a Notice of Sale to be posted (target posting date: early January 2015).
Principal Repayment or Sinking Fund Installments:	If the bidder proposes that the Bonds will be issued as serial bonds, the Bonds will mature annually on each December 15 in annual maturity amounts of $1,200,000 commencing with the initial maturity date of December 15, 2015 and continuing annually on each December 15 thereafter, including a final maturity date of December 15, 2024. If the Bonds are structured as term bonds, the Bonds shall be subject to annual mandatory sinking fund redemption in the aggregate principal amount of $1,200,000 on each December 15, commencing December 15, 2015 and continuing on each December 15 thereafter to and including the final maturity date for the Bonds of December 15, 2024.
Redemption:	Other than possible term bonds subject to mandatory sinking fund redemption, the Bonds will not be optionally callable prior to the Maturity Date.
Issuance Authority:	The Bonds are being issued under authority of the Illinois Finance Authority Act, specifically the IFA's Local Government Finance Assistance Program (20 ILCS 3501/820-20), authorizing the IFA to purchase Local Government Bonds which are authorized under the Suburban Bus Division article of the RTA Act (70 ILCS 3615/3A.09 (e)), subject to the approval of the RTA.
Ratings:	Pace is currently not rated and neither the Pace Local Government Bonds nor the IFA Local Government Program Revenue Bonds will be rated by a nationally-recognized rating agency.
Tax Exemption:	Interest on the IFA Bonds is expected to be exempt from present Federal and State of Illinois income taxes.
Flow of Funds:	The Bonds will be payable from payments made by Pace to the IFA on the Local Government Bonds. Pace will make monthly deposits of pledged revenues for repayment of its Local Government Bonds which will be transferred to a Depository and deposited in the debt service fund for the Bonds. The creation of the various funds and accounts for both the Bonds and the Local Government Bonds will be as set forth in the IFA Authorizing Bond Resolution (to be adopted today) and will be included in Pace's Authorizing Bond Resolution.

Debt Service Reserve Fund Requirement: A Debt Service Reserve Fund will be established and held by a Depository for the benefit of the Purchaser under a Depository Agreement and will be funded at an amount equal to 10% of the principal amount of the Bonds ($1,200,000). Amounts deposited to the Debt Service Reserve Fund will be required to be invested in accordance with Pace's Investment Policy, including any and all collateral requirements associated with such investments.

Additional Parity Debt: The Regional Transportation Authority Act provides that Pace may issue Bonds under its statutory powers for three additional specified projects (with issuance amounts limited to the maximum statutory bond issuance limit for each project). An Additional Bonds Test for the issuance of additional parity indebtedness will be as provided in the Pace Authorizing Bond Resolution when adopted.

PROJECT SUMMARY (FINAL BOND RESOLUTION)

The Authority's Series 2015 Bond proceeds will be used to acquire revenue bonds (the "Local Government Bonds") issued by Pace, the Suburban Bus Division of the Regional Transportation Authority ("Pace"), issued pursuant to the Regional Transportation Authority ("RTA") Act, 70 ILCS 3615, with the proceeds ultimately used by Pace to convert Pace's South Division garage in Markham into a compressed natural gas facility (the "Pace CNG" Project).

Pace is authorized by 70 ILCS 3615/3A.09(e) (the "Pace Bonding Authority") to issue revenue bonds for specified projects with the approval of the Regional Transportation Authority, including an amount not-to-exceed $12.0 million to finance the Pace CNG Project.

The Pace South Division serves the South Cook County and DuPage County suburbs. The approximately 191,000 sq. ft. facility was constructed in 1988 and is located at 2101 West 163rd Place in Markham (Cook County), Illinois 60428.

BUSINESS SUMMARY

Background/ Organization: Pace is the suburban bus division of the Regional Transportation Authority ("*RTA*") and is organized and existing pursuant to the Regional Transportation Authority Act 70 ILCS 3615/, and particularly, (70 ILCS 3615/3A.01) et seq. (the "*RTA Act*").

Pace is governed by a 13 member Board of Directors comprised of current and former suburban mayors and the Commissioner of the Mayor's Office for People with Disabilities for the City of Chicago (see p. 8).

Services: Pace provides bus service to suburban communities located across the RTA's 6-county service area, comprising Cook, DuPage, Kane, Lake, McHenry, and Will Counties.

The Regional Transportation Authority Act, as amended effective November 9, 1983, established a Suburban Bus Division Board empowered to operate bus service serving suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry and Will. In doing so, fares, branding and management were made consistent throughout the region. On July 1, 1984, the consolidated agency began operations as the Suburban Bus Division of the Regional Transportation Authority. In 1985, the brand name 'Pace' was established.

On July 29, 2005, legislation was signed into law that made Pace Suburban Bus the sole provider of all ADA (American with Disabilities Act) services in the City of Chicago and the surrounding six counties. The Bill states that Pace becomes the official operator of CTA's (Chicago Transit Authority) ADA services on July 1, 2006.

The Suburban Bus Board determines the level, nature and kind of public bus transportation services that should be provided in the suburban region. Independent operations of the Suburban Bus

Division (Pace) commenced July 1, 1984 and after June 30, 2006 for ADA service in the entire RTA region. In January 2008, Public Act 95-0708 was passed which addressed the financial crisis for transit and provided additional funding for both Suburban and ADA services.

These increases in the scope and funding of Pace's ADA services made Pace one of the largest providers of paratransit service in the United States. Pace has also established one of the largest vanpool programs in the nation and became the regional ridesharing administrator for Northeastern Illinois in 2006, bringing coordination of carpools into the program. PaceRideShare.com is the outlet for these services, offering commuters the ability to create a profile and gather information on others with similar travel patterns in order to form carpools or vanpools.

Pace operates suburban bus services in Northeastern Illinois using stock and structures and equipment purchased through capital grants funded by the Federal Transit Administration (FTA), the Illinois Department of Transportation (IDOT), the Regional Transportation Authority (RTA) and Pace's own funds (including Farebox, advertising, and other internally generated funds).

Debt Policy: The RTA Act was amended effective 2013 to authorize Pace, the Suburban Bus Division of the Regional Transportation Authority to issue revenue bonds for the purpose of constructing four specified projects (up to the maximum amounts authorized for each project as reported below) including: (i) capital improvements associated with the subject project to be financed with the IFA Series 2015 Bonds, which involves converting the South Cook garage in Markham to a Compressed Natural Gas ("CNG") facility at an estimated cost of $12,000,000, and three additional projects including (ii) constructing a new garage in the northwestern Cook County suburbs at an estimated cost of $60,000,000, (iii) constructing a new paratransit garage in DuPage County at an estimated cost of $25,000,000, and (iv) expanding the North Shore garage in Evanston to accommodate additional indoor bus parking at an estimated cost of $3,000,000.

Again, the maximum principal amount of revenue bonds that Pace may issue pursuant to the RTA Act for these projects is capped by statute at the estimated costs for each project as specified above. (The combined not-to-exceed maximum amount of the four projects totals $100,000,000.) The proposed IFA Series 2015 Local Government Securities would be the first bonds to be issued pursuant to Pace's 2013 bond issuance authority.

Pursuant to the RTA Act, the bonds issued by Pace shall be secured by Farebox Revenues and other self-generated operating revenues pursuant to a Bond Resolution to be adopted by the Pace Board.

In addition to approval by the Pace Board and IFA Board, issuance of any Pace Revenue Bonds (including the proposed IFA Series 2015 Bonds for the South Garage CNG Project), will require approval of the Board of the Regional Transportation Authority.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

Pace Quick Facts: The following facts are presented on p. 116 of Pace's 2015 Budget (as posted online at Pace's website: http://www.pacebus.com/sub/about/annual_budget.asp).

Service Characteristics

Background data on the Pace service is provided below:

Fixed Route Service	
Number of Fixed Routes (August, 2014)	195
• Regular Routes	144
• Feeder Routes	38
• Shuttle Routes	13
(All Routes are Accessible)	
Peak Period Vehicle Requirements	600
Pace-owned Fleet Size	734
Number Accessible	734
Average Vehicle Age	6.9 years
Contractor-owned Vehicles in Pace service	0
Number of Private Contractors	2
Number of Pace-owned Garages	11
Number of Pace Municipal Contractors	2
Paratransit	
Number of Communities Served	210
Number of Local Dial-a-Ride Projects	68
Pace-owned Fleet Size (Includes Suburban ADA)	455
Average Vehicle Age	3.1 years
Community Trnst Vehicles in Svc (August, 2014)	90
Contractor-owned Vehicles in City ADA service	733
Vanpool	
Vans in Service (August, 2014)—VIP	320
Vans in Service (August, 2014)—Employer Shuttle	15
Vans in Service (August, 2014)—Advantage	360
Total Vans in Service	695
Average Vehicle Age	3.8 years
Other	
Number of Pace Employees (Includes ADA Staff)	1,613

Ridership (000's)	**2013 Actual**	**2014 Estimate**	**2015 Budget**
Fixed Route	32,645	32,224	32,621
DAR/Ride DuPage/Kane*	1,276	1,245	1,272
Vanpool	2,000	2,044	2,100
Total Suburban Service	35,921	35,513	35,993
Total System	**39,889**	**39,682**	**40,366**
Vehicle Miles (000's)	**2013 Actual**	**2014 Estimate**	**2015 Budget**
Fixed Route	24,822	25,229	25,103
DAR/Ride DuPage/Kane	5,807	5,790	5,895
Vanpool	13,167	13,422	13,780
Total Suburban Service	43,797	44,440	44,777
Regional ADA	31,892	32,768	34,407
Total System	**75,689**	**77,209**	**79,184**
Vehicle Hours (000's)	**2013 Actual**	**2014 Estimate**	**2015 Budget**
Fixed Route	1,636	1,669	1,693
DAR/Ride DuPage/Kane	309	304	310
Vanpool	N/A	N/A	N/A
Total Suburban Service	1,945	1,973	2,003
Regional ADA	2,032	2,212	2,325
Total System	**3,977**	**4,185**	**4,329**

**Ridership includes companions and personal care attendants*

ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower: Pace, the Suburban Bus Division of the Regional Transportation Authority, 550 W. Algonquin Rd., Arlington Heights, IL 60005; (T) 847.364.7223

Contacts: Mr. Dominick Cuomo, Chief Financial Officer and Mr. James Egeberg, Section Manager, Debt Management

Entity: Service Board of the Regional Transportation Authority

Project Address: 2101 West 163rd Place, Markham (Cook County), IL 60428

Pace - Board of Directors:	Richard A. Kwasneski, Chairman
	Christopher S. Canning (North Shore Suburban Cook County)
	Kyle R. Hastings (South Suburban Cook County)
	Thomas D. Marcucci (DuPage County)
	Frank C. Mitchell (Will County)
	Alan Nowaczyk (Central Suburban Cook County)
	Jeffery D. Schielke (Kane County)
	Aaron T. Shepley (McHenry County)
	Brad Stephens (North Central Suburban Cook County)
	Karen Tamley (Commissioner, Mayor's Office for People with Disabilities, City of Chicago)
	Terry R. Wells (South Suburban Cook County)
	Richard Welton (Lake County)
	Thomas J. Ross, Executive Director – Pace

PROFESSIONAL & FINANCIAL

Auditor:	Crowe Horwath LLP	Oak Brook, IL	
Borrower Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	James Beck, Beth Chevalier
Bond Counsel:	Thompson Coburn LLP	Chicago, IL	Rhonda Thomas, Tom Smith
Bond Purchaser:	To be determined by competitive bid		
Depository:	To be determined		
Rating Agencies:	Not applicable (non-rated bonds)		
Issuer's Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
IFA Financial Advisor:	Sycamore Advisors, Inc.	Chicago, IL	Melanie Shaker

LEGISLATIVE DISTRICTS – Markham Project Site only

Congressional:	2
State Senate:	15
State House:	30

CONDUIT

$20,000,000

December 9, 2014 **Midwestern University Foundation**

REQUEST	**Purpose**: The IFA Series 2015 Bonds will be issued in one or more series and proceeds from the sale of the Bonds will be used by **Midwestern University Foundation** (the "**Foundation**" or the "**Borrower**"), a private Illinois nonprofit corporation and affiliate under common control of Midwestern University (the "**University**", an Illinois not-for-profit corporation institution of higher education), and combined with certain other available funds to (i) finance private education loans to students of the University that attend the University's Illinois Campus, (ii) finance a portion of the interest on the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, (iii) finance one or more debt service reserve funds for the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Series Bonds, if deemed necessary or advisable by the Borrower (collectively the "**Financing Purposes**"). The Bonds will be issued pursuant to the Higher Education Loan Act of the State of Illinois, as amended, and the Illinois Finance Authority Act, as amended. **Volume Cap:** Because the underlying "users" of the Bond Proceeds will be private taxpayers (i.e., students), issuance of the proposed IFA Bonds would require up to $20 million of Illinois Volume Cap. IFA already has set-aside sufficient Volume Cap in anticipation of this estimated $15.0 million to $20.0 million bond issue in early 2015. (Bonds issued for students at the Glendale, Arizona campus will require Arizona Volume Cap.) **Program**: Conduit Qualified Student Loan Revenue Bonds [issued pursuant to IFA statutory authority under the (Illinois) Higher Education Loan Act, as successor to the Illinois Educational Facilities Authority ("IEFA")]. **Extraordinary Conditions**: None. **Note:** ***Concurrent Issuance of (estimated) $15 Million of Student Loan Bonds by the Industrial Development Authority of Glendale, AZ:*** The Foundation will also be pursuing the concurrent approximately $15 million of conduit Qualified Student Loan Revenue Bonds to be issued by the **Industrial Development Authority of Glendale, AZ** ("**Glendale IDA**") under a common trust indenture. (See p. 4 for additional information.)
BOARD ACTION	Final Bond Resolution
MATERIAL CHANGES/ VOTING RECORD	*Not-to-exceed parameters amount increased from $15.0 million to $20.0 million. No material changes in the proposed structure.* Voting Record (7/11/2014 – Preliminary Bond Resolution): Yeas: 11; Nays: 0; Abstentions: 0; Absent: 4 (Gold, O'Brien, Pedersen, Vaught)
JOB DATA	600 Midwestern Univ. – Illinois Campus; N/A New jobs projected (not a capital asset financing) N/A Retained jobs; N/A Construction jobs projected (not a capital project)
DESCRIPTION	● Locations: Downers Grove/DuPage County/Northeast Region (The Glendale IDA will issue Bonds to fund student loans for students attending Midwestern's Glendale, Arizona campus.) ● Type of entity: Midwestern University Foundation is an Illinois nonprofit corporation established in 1994 to secure and manage private support to benefit Midwestern University ("**MWU**" or the "**University**"). The Foundation is a 501(c)(3) corporation and is the official fundraising arm of the University. The University is the sole member of the Foundation. ● Originally founded in 1900 as the Chicago School of Osteopathy (based in Hyde Park), the University has since expanded its educational offerings, and relocated to Downers Grove in 1986 (becoming Midwestern University in 1992, after adding new professional and graduate health programs). Midwestern established a second campus in 1995 in Glendale, AZ. Today, Midwestern University provides professional graduate and post-graduate education and offers 16 different advanced degree programs in various fields of medicine, pharmacy, dentistry, and the health sciences.
PURPOSE/ STRUCTURE / SECURITY / ANTICIPATED RATINGS	● **Program Purpose and Background:** *Please see "Program Purpose and Background" section on pages 3-4.* ● **Structure:** The plan of finance contemplates that the IFA Bonds and the Glendale IDA Bonds will each be sold in one or more series pursuant to a Master Trust Indenture. The Master Trust Indenture will pledge 100% of the student loans to the Master Trust (i.e., including student loans funded from (i) the IFA Bonds, (ii) the Glendale IDA Bonds, and (iii) existing loans that will be pledged by the Foundation as equity). The transaction structures for both the IFA and Glendale IDA Bonds will include both Senior 2015A Bonds and Subordinate 2015B Bonds. ● **Security/Anticipated Ratings:** The Master Trust Indenture pledge of 100% of the student loans from both campuses, combined with the Senior/Subordinate structure, additional pledged student loans pledged by the Foundation as equity, cash equity from both the Foundation and University, and Midwestern University's 30+ year low student loan borrower default history are all factors that are anticipated to result in high investment grade ratings on both the IFA Series 2015A Bonds (anticipated at "AA" or higher) and the IFA Series 2015B Bonds (anticipated "A" or better) from S&P. ● **Financing will be non-recourse to the Foundation and University:** The proposed IFA and Glendale IDA Student Loan Revenue Bonds will be non-recourse to both the Foundation and to Midwestern University and rated solely based on the Master Trust Indenture and transaction structure. (Informational Disclosure: The University has underlying long-term ratings of A-/A+ (S&P/Fitch).) ● RBC Capital Markets has been engaged by the Borrower to serve as Underwriter.
MATURITY	● Not to exceed 40 years (final maturity will be based on rating agency feedback based on portfolio stress testing)

SOURCES AND USES – IFA BONDS ONLY

Sources:		**Uses:**	
IFA Senior-Subord. Bonds	$15,000,000	Student Loans	$16,200,000
Foundation – Contributed Student Loans (Contributed Equity)	2,500,000	Capitalized Interest	1,250,000
Foundation Cash Equity	500,000	Debt Service Reserve Fund	300,000
University Cash Equity	500,000	Costs of Issuance	750,000
Total	**$18,500,000**	**Total**	**$18,500,000**

RECOMMENDATION	The Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: Midwestern University Foundation

STATISTICS

Project Number:	N-NP-TE-CD-8678	Amount:	$20,000,000 (not-to-exceed amount)
Type:	Student Loan Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
IL Location:	Downers Grove	County/ Region:	DuPage County/Northeast

BOARD ACTION

Final Bond Resolution	
Conduit Student Loan Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution (July 11, 2014): Yeas: 11; Nays: 0; Abstentions: 0; Absent: 4 (Gold, O'Brien, Pedersen, Vaught)

PURPOSE

The IFA Series 2015 Bonds will be issued in one or more series and proceeds from the sale of the Bonds will be used by **Midwestern University Foundation** (the "**Foundation**" or the "**Borrower**"), a private Illinois nonprofit corporation and affiliate under common control of Midwestern University (the "**University**", an Illinois not-for-profit corporation institution of higher education), and combined with certain other available funds to (i) finance private education loans to students of the University that attend the University's Illinois Campus, (ii) finance a portion of the interest on the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, (iii) finance one or more debt service reserve funds for the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Series Bonds, if deemed necessary or advisable by the Borrower (collectively the "**Financing Purposes**"). The Bonds will be issued pursuant to the Higher Education Loan Act of the State of Illinois, as amended, and the Illinois Finance Authority Act, as amended.

The Bonds will be issued as qualified student loan bonds under Internal Revenue Code Section 144(b)(1)(B). Proceeds of the Bonds will be used to finance loans to qualified students enrolled at the University's Downers Grove, Illinois campus for Programs leading to a masters, doctorate, or other graduate or professional degree who have otherwise exhausted available sources of federal, state, and institutional grants and loans.

IFA PROGRAM AND CONTRIBUTION

IFA is authorized (as successor to the Illinois Educational Facilities Authority) to issue conduit revenue bonds on behalf of education loan corporations and accredited institutions of higher education (including their affiliated foundations) pursuant to the **Higher Education Loan Act (20 ILCS 945)**. Proceeds of the IFA Bonds are then, in turn, loaned by the conduit education loan corporation (i.e., Midwestern University Foundation in this transaction) to current students (i.e., of Midwestern University's Downers Grove Illinois campus) to finance qualified costs of higher education as specified under the Internal Revenue Code.

IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense, with the interest rate benefit ultimately conveyed to the student loan borrowers.

VOLUME CAP

As noted previously, because the ultimate beneficiaries of the IFA Bonds will be private taxpayers (i.e., students), issuance of Student Loan Revenue Bonds will be subject to an allocation of up to $20 million of Illinois Volume Cap based on the current estimated transaction amount, as required under the Internal Revenue Code. (As noted previously, IFA has already set-aside sufficient Volume Cap to enable the proposed Student Loan Revenue Bonds to be issued upon completion of all transaction legal and securities documentation.)

ESTIMATED SOURCES AND USES OF FUNDS – IFA BONDS ONLY

Sources:		**Uses:**	
IFA Senior 2015A Bonds	$12,500,000	Student Loans:	$16,200,000
IFA Subordinate 2015B Bonds	2,500,000	Capitalized Interest	1,250,000
Foundation – Pledged Student Loans (Equity)	2,500,000	Debt Service Reserve Fund	300,000
Foundation Cash Equity	500,000	Costs of Issuance	750,000
University Cash Equity	500,000		
Total	**$18,500,000**	**Total**	**$18,500,000**

JOBS

Current employment:	600	Projected new jobs:	N/A (not a capital project)
Jobs retained:	N/A	Construction jobs:	N/A (not a capital project)

Note: These Bonds will be available for use by the Borrower to fund student loans to students at Midwestern University's Downers Grove campus (irrespective of residency).

PROGRAM PURPOSE AND BACKGROUND

Program Purpose: In order to offer more favorable terms than are generally available to Midwestern University's students under the federal GradPLUS Loan Program ("GradPLUS"), the University plans (through its affiliated Midwestern University Foundation) to offer loans directly to its students pursuant to the terms of a new bond–funded student loan program.

Funds for the current academic year 2014-2015 loans will be generated from (i) IFA Bonds Proceeds (loaned to Midwestern University Foundation), (ii) Midwestern University Foundation Pledged Loans (comprising equity of approximately $5.0 million; of which approximately $2.5 million would be allocated to loans for students at each campus), and (iii) $1.0 million of cash to be contributed by the Foundation, and $1.0 million of cash to be contributed by the University (with 50% of these amounts to be allocated to provide loans, fund reserves, or pay costs of issuance in connection with both the IFA Bonds and Glendale IDA Bonds).

IFA Bonds to be Issued under the Higher Education Loan Act: IFA will issue the subject Series 2015 Bonds pursuant to powers authorized under the **Higher Education Loan Act** (110 ILCS 945 or "**HELA**"), as successor to the Illinois Educational Facilities Authority (which itself absorbed the issuance authority of the former **Illinois Independent Higher Education Loan Authority** ("**IIHELA**" in 1987). IIHELA was established under Illinois law effective September 1981.

IFA is authorized to issue conduit revenue bonds on behalf of higher education institutions for the express purpose of providing student loans using IIHELA's former powers as enumerated under HELA.

From 1982 to 1985, the Illinois Independent Higher Education Loan Authority issued approximately $98.6 million of Bonds on behalf of six institutions (Northwestern University; DePaul University; Loyola University; Knox College; University of Chicago, Rush Medical School). Bond issue par amounts ranged from $500,000 (Knox College) to $22.0 million (Rush Medical School). Most bonds carried maturities of up to 15 years. The last outstanding IIHELA Bonds matured in 1999.

Other federal loan programs superseded the IIHELA Bonds in use by the universities.

The proposed Series 2015 Bonds would be the first bond issuance by IFA using the HELA statutory powers since IFA's inception in 2004.

Concurrent Issuance of $15 Million of Student Loan Bonds by the Glendale IDA: Midwestern University will be issuing the proposed $15 million to $20 million of IFA Bonds concurrently (and under a common Master Trust Indenture) with $15 million of Student Loan Revenue Bonds issued by the Glendale IDA (with Midwestern University Foundation also serving as the conduit borrower).

The IFA Bonds and Glendale IDA Bonds will be investment-grade rated based on the Master Indenture structure and the University's 30+ years of strong student loan repayment history.

Although the Bonds will be issued under a common Master Trust Indenture and the loan repayments will flow through the Master Indenture, cash flows associated with the IFA and Glendale IDA Bonds will be segregated for both tax and compliance purposes. *(Additionally, the Glendale IDA Bonds will require its own $15 million allocation of Arizona Volume Cap for use by students attending its Arizona campus pursuant to Internal Revenue Code requirements.)*

Comment on Need for Separate IFA and Arizona Bond Issues: Because Qualified Student Loan Bonds ultimately benefit private taxpayers (i.e., student borrowers), the subject Bonds require an allocation of Volume Cap from the State in which each respective borrowing will benefit resident students (pursuant to the Internal Revenue Code).

Accordingly, IFA Bond proceeds will be limited in use to qualified students at Midwestern University's Illinois campus in Downers Grove. (Similarly, use of the Glendale IDA Bond proceeds will be limited in use to qualified students at Midwestern University's campus in Glendale, AZ.)

The Glendale IDA will be providing an estimated $15 million allocation of State of Arizona Volume Cap to cover the Par amount of Glendale IDA Bonds (as required under the Internal Revenue Code).

FINANCING STRUCTURE:

Bond Structure: The IFA Bonds and Glendale IDA Bonds are each expected to be issued in a Senior 2015A Series and a Subordinate 2015B Series. Each series of bonds is expected to be assigned a high investment grade rating based on Pledged Collateral as described in the following section (i.e., comprised of pledged cash flows, pledged loans, and cash equity) under a Master Trust Indenture structure (also see Master Trust Indenture Overview section below).

Pledged Collateral: The Bonds will be secured by and payable solely from amounts payable by Midwestern University Foundation pursuant to terms of the underlying Financing Agreements relating to the IFA and Glendale IDA bond issues.

The obligation of Midwestern University Foundation to make payments to bondholders will be limited to the extent of student loans and related collateral pledged under the Master Trust Indenture (the "**Pledged Collateral**").

The Pledged Collateral will consist of the following (as defined under the Master Trust Indenture): (i) the revenues (i.e., student loan repayments), (ii) funds held in accounts established under the Master Trust Indenture, (iii) student loans contributed by the Borrower (i.e., Midwestern University Foundation), and (iv) the rights of the Borrower (i.e., Midwestern University Foundation) under any loan or servicing agreement.

Master Trust Indenture Overview: The IFA and Glendale IDA Bonds will be issued under a common Master Trust Indenture.

Separate IFA and Glendale IDA Supplements to the Master Trust Indenture will provide for:

- subaccounts that will facilitate tracking of originations, student loan repayments, and ongoing tax compliance; and,
- separate Loan Agreements with respect to each Issuer specifying terms for the lending of bond proceeds and the repayment of such loans.

The Master Trust Indenture will also specify terms under which surplus cash flows from the Glendale IDA bond issue would be available to cover all or a portion of any cash flow deficiencies in the IFA Bonds, if any (and *vice versa*).

Bonds will be a Limited Obligation of the Foundation and University: The Bonds will not constitute a debt, liability, or obligation of, nor will the Bonds be secured by any general revenues or assets of the Midwestern University Foundation, or any affiliate of the Foundation, including Midwestern University. In particular, according to HELA: "Bonds issued under authority of the Act (HELA) shall be obligations of the (Illinois Finance) Authority only, and not of the State of Illinois", and "Nothing in the Act (HELA) shall be construed to authorize the Authority or any department, board, commission, or other agency to create an obligation of the State of Illinois within the meaning of the Constitution or Statutes of Illinois".

Interest Rate: Both sizing and interest rate modes are to be determined based on an evaluation of market conditions by the Foundation and its financing team at pricing based on pledged collateral (i.e., cash flows) under the Master Trust Indenture and from the anticipated Senior Series 2015A/Subordinate Series 2015B structure.

Rating on the Proposed IFA and Glendale IDA Bonds: The Foundation and their financing team anticipate that the IFA and Glendale IDA Bonds will be rated solely on the basis of the Pledged Collateral (i.e., combined cash flows from loans; prior student loans pledged by the Foundation; and, other cash equity) provided under the Master Trust Indenture structure. The Borrower and Financing Team will be structuring the transaction to attain high investment grade ratings on the contemplated (IFA and Glendale IDA) Senior Series 2015A Bonds ("AA" or higher) and (IFA and Glendale IDA) Subordinate Series 2015B Bonds ("A" or better) from S&P.

Information Disclosure – Midwestern University's Underlying Credit Ratings: As noted previously, the subject IFA Bonds (and the Glendale IDA Bonds) will not be supported with cash flows or otherwise guaranteed in any manner by Midwestern University. Midwestern University is currently rated "A-"/ "A+" long-term by S&P/Fitch (each with a Stable Outlook).

Maturity: Not-to-exceed 40 years (The anticipated final maturity date will be 25 years from the issuance date based on expected rating agency feedback.)

Estimated Closing Date: January 2015

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The IFA Series 2015 Bonds will be issued in one or more series and proceeds from the sale of the Bonds will be used by **Midwestern University Foundation** (the "**Foundation**" or the "**Borrower**"), a private Illinois nonprofit corporation and affiliate under common control of Midwestern University (the "**University**", an Illinois not-for-profit corporation institution of higher education), and combined with certain other available funds to (i) finance private education loans to students of the University that attend the University's Illinois Campus, (ii) finance a portion of the interest on the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, (iii) finance one or more debt service reserve funds for the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Series Bonds, if deemed necessary or advisable by the Borrower (collectively the "**Financing Purposes**"). The Bonds will be issued pursuant to the Higher Education Loan Act of the State of Illinois, as amended, and the Illinois Finance Authority Act, as amended.

The Bonds will be issued as qualified student loan bonds under Internal Revenue Code Section 144(b)(1)(B). Proceeds of the Bonds will be used to finance loans to qualified students enrolled at the University's Downers Grove, Illinois campus for Programs leading to a masters, doctorate, or other graduate or professional degree who have otherwise exhausted available sources of federal, state, and institutional grants and loans.

BUSINESS SUMMARY – BACKGROUND ON PARTICIPANTS

The Foundation: **Midwestern University Foundation** (the "**Foundation**" or the "**Borrower**") is an Illinois nonprofit corporation established in 1994 to act exclusively for scientific, scholastic, charitable and educational purposes for the benefit of Midwestern University ("**MWU**" or the "**University**"). The Foundation is an affiliate of the University under common management control (with common employees and several board members).

Established in 1994 as a supporting organization of MWU, the Foundation was inactive (and conducted no business, and had no revenues, assets or liabilities) until October 2002, when it took over financing of federal student loan programs on behalf of the University. From that time, the Foundation's sole activity has been to finance the federal student loan programs of the University. Since 2002, and through the fiscal year which ended June 30, 2014, the Foundation financed approximately $210 million of federally guaranteed student loans originated on behalf of the University's students.

The Borrower is a 501(c)(3) not-for-profit entity exempt from federal income taxation under the Internal Revenue Code. The Foundation is governed by a 7-member Board of Directors (see page 10). The University is the sole member of the Foundation.

The University: Midwestern University is a private, Illinois not-for-profit corporation with 501(c)(3) status under the Internal Revenue Code.

Midwestern University was founded in 1900 as the Chicago School of Osteopathy. The University is a leading provider of graduate and post-graduate education in various fields of medicine and health sciences. The University's degree programs are accredited by the major accrediting bodies within each field of specialization. The University's program have experienced increasing demand over the past 10 years, have become increasingly selective, and have produced successful, high-earning graduates who have a strong repayment history on Midwestern-originated student loans over the past 30+ years.

The University relocated to its current main campus in Downers Grove (previously George Williams College) in 1986, and after adding several new professional programs became "Midwestern University" in 1992. The University established a second full-service campus in Glendale, Arizona in 1995.

The University presently has over 6,063 students across its Illinois and Arizona campuses. The University's strong financial condition is evidenced by the University's high investment grade ratings ("A-" / "A+" from S&P/Fitch).

The Illinois Board of Higher Education and the Arizona State Board for Private Postsecondary Education have approved all degree programs at the respective campuses under their authority, and all degrees are conferred by the authority granted by the applicable State Board. Additionally, Midwestern University's Downers Grove campus is regionally accredited by The Higher Learning Commission, A Commission of the North Central Association of Colleges and Schools.

Role of the Foundation in this Financing: The Foundation will relend IFA Bond proceeds to eligible students under this Program and contribute up to $6.0 million of (combined) pledged loans (i.e., equity) and cash to the Master Trust Indenture on behalf of the IFA Bonds and the Glendale IDA Bonds. Loan repayments derived from the Foundation's pledged loans (i.e., equity) and loans to be originated with a portion of any cash contribution will provide additional cash flow that will help secure (i.e., credit enhance) all IFA (and Glendale IDA) Bonds.

Midwestern University & Midwestern University Foundation:
30+ Year Student Loan Performance History:

1980 – 2012: MWU's Institutional Loan Program:
- Was established in the 1980's as a University-capitalized revolving loan fund to assist students of the University's College of Osteopathic Medicine in meeting their tuition obligations to MWU;
- More recently, this program provided $3.6 million of low-interest, fixed rate loans to Osteopathic Medicine students between 2006 and 2012;
- These loans have been serviced by ECSI (the proposed student loan servicer on loans funded from proceeds of the IFA Series 2015 Bonds – see pages 9-10) since 2001.

1988 – 2002: MWU's FFELP Graduate "School as Lender Program" - Phase I
Financed by Midwestern University from proceeds of a revolving credit facility and loan purchase agreement by Sallie Mae ("FFELP" = Federal Family Education Loan Program)
- Loans originated with Sallie Mae advances, and subsequently sold to Sallie Mae at a small premium [i.e., approximately 101.5% of par];
- Periodic loan sale proceeds were used to repay credit advances, thereby creating capacity for additional student loans.

2002 – 2010: MWU's FFELP Graduate "School as Lender Program" – Phase II
Student loans funded by the Midwestern University Foundation through the issuance of $145 million of Taxable Auction Rate Securities (ARS) (ultimately secured by the Foundation's guaranteed student loans and related assets)
- Renegotiated borrower premiums allowed the Foundation/MWU to eliminate student loan origination fees;
- The collapse of the Auction Rate Securities market in February 2008 coupled with the elimination of the FFELP in mid-2010, led to the gradual unwinding of this "Phase II program" as follows:
  - MWU ceased lending under Phase II in May 2010, after providing nearly $600 million of FFELP loans to its students;

- The remaining student loans were "put" to the U.S. Department of Education in Fall 2010, soon after termination of the FFELP;
- The Series 2009A Trust Indenture was collapsed and all $65.0 million of LOC-Secured Variable Rate Demand Bonds were redeemed at Par;
- The remaining Net Assets of $6.0 million were released from the Series 2009A Indenture to the Foundation.

2012 – Present: Foundation Direct Loans and Development of new Tax-Exempt Student Loan Revenue Bond Program

- As of 3/31/2014, the Foundation's Net Asset position was $6.3 million.
- The Foundation has (and will) use a portion of these ($6.0 million) of its assets to fund new student loans and to provide cash equity to support the Master Trust Indenture structure. Repayments from the Foundation's equity-funded loans will create additional dedicated cash flows to the Master Trust Indenture that will be available to cover a portion of the debt service payments due on both the IFA Series 2015 Bonds and the Glendale IDA Series 2015 Bonds under the Master Indenture structure.

MIDWESTERN UNIVERSITY – APPLICATION AND ENROLLMENT TRENDS:

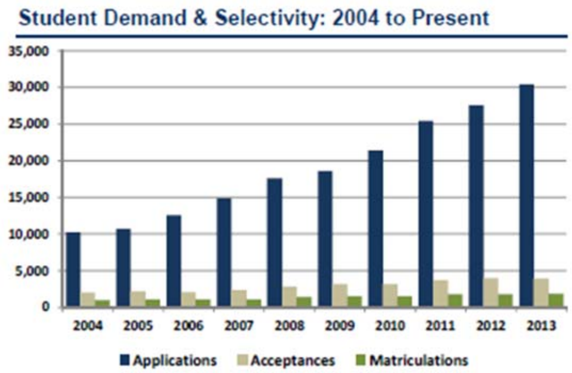
Applications to all of MWU's programs have increased annually over the past 10 years, while admissions have become increasingly selective. *The application trend information presented below represents the most up-to-date information available as of the preparation date of this report (12/2/2014).*

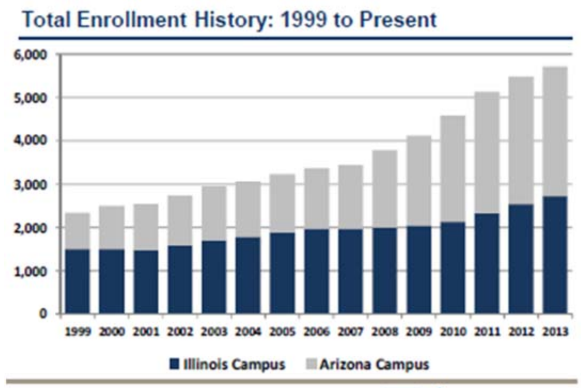
Note: The information presented below will be superseded by information provided in the Appendices to Final Official Statement for this financing which is expected to be posted on or about December 19, 2014.

In particular:

- Total new student applications for MWU's programs have tripled over the past 10 years, from 10,193 in 2004 to 30,346 in 2013.
- Acceptance rates have declined during the past 10 years, from 19.8% in 2004 to 13.1% in 2013.
- MWU has posted enrollment growth of:
    - 8.6% average 10-year growth rate;
    - 9.6% average 15-year growth rate;
    - Note: MWU opened its Glendale, AZ campus in 1995.
- Despite the overall increase in the number of 'seats' available to prospective students nationally (reflecting new school openings and new programs), competition for seats across MWU's graduate and professional health programs has steadily increased.
- According to MWU, matriculation (i.e., enrollment) rates have been stable, ranging between 45% and 51% during the past 10 years.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]





MIDWESTERN UNIVERSITY STUDENT LOAN PROGRAM OPERATIONS:

Internal Loan Program Administration:

Kim Brown, Director of Finance, who reports to the University's CFO, will be the primary administrator of the Foundation loan program and has been employed by the University since 2001. Overall, MWU's internal team has significant experience administering MWU's prior student loan programs from 1980 through 2012. Ms. Brown has been directly involved in all prior Midwestern University Foundation student loan initiatives (which began in 2002).

3rd Party Private Label Student Loan Origination Platform – Campus Door, Inc. ("CampusDoor"):

MWU has engaged CampusDoor to provide web-based loan origination platform for use by MWU's students.

Campus Door, Inc. was founded in 1995 to deliver student loans via web-based applications. Since 1995, CampusDoor has processed over $11 billion in private student loans applications representing over 1.4 million student loan borrowers. CampusDoor is based in Carlisle, PA.

CampusDoor currently supports 19 higher education institutions and lenders including Sallie Mae, PNC Bank, M&T Bank, Corinthian Colleges (Liberty Bank), University Credit Union (Maine), and New Hampshire Higher Education Loan Corporation.

3rd Party Loan Servicing & Collections Platform – Education Computer Systems, Inc. ("ECSI"), a division of Heartland Payment Systems (Heartland Campus Solutions):

Heartland Payment Systems was founded in 1972 to provide a student loan servicing solution to higher education institutions. ECSI is based in Coraopolis, PA, the largest campus-based student loan service in the U.S.

In 2012, Heartland Payment Systems (NYSE: HPY) acquired ECSI and integrated its student loan servicing business with its Heartland Campus Solutions division. Heartland processes more than 11 million payments per day and over $120 billion annually and employs 3,450 nationally.

ECSI has over 1,800 college and university clients in all 50 states. Loan servicing clients include: Princeton University, SUNY System, Cornell University, University of Michigan, University of North Carolina, Oregon State University System, UNLV, The Ohio State University, and the California State System.

ECSI has serviced Midwestern University's and Midwestern University Foundation's direct student loan portfolios since 2001.

GENERAL TERMS OF MIDWESTERN'S BOND-FINANCED STUDENT LOAN PROGRAM:

Midwestern University Foundation – Initial 2014-2015 Student Loan Program Eligibility and Lending Parameters:

- According to the University, the initial pool of loans originated with IFA Series 2015 Bond Proceeds *will not* include loans to Medical (i.e., Osteopathic Medical School) students due to the Osteopathic Medical Program's (i) duration (4 years), (ii) length of post-graduation residency periods (3 ½ years), and (iii) high medical student post-graduation residency program participation rates (100% - which would result in a deferral of principal and interest payments to the Master Trust and the use of Capitalized Interest).
- In academic year 2014-2015, participation in the Foundation's Bond-funded loan program will be offered to all non-medical school students entering the final year of their respective programs.
- The University expects Dental (D.M.D.) and Pharmacy (Pharm.D.) program students to continue to comprise the majority of the initial pool of loans, based on class sizes and historical borrowing trends:
    - only 25% of 4th year dental students enter a 2-year residency program
    - only 20% of 4th year pharmacy students enter a 1-year residency program
- The maximum loan amount will be $25,000 per academic year (with a $100,000 aggregate maximum); the minimum loan amount will be $1,000;
    - The aggregate loan amount may not exceed the cost of attendance, less other forms of financial aid awarded.

Over time, and as the bond-funded portfolio establishes its own performance record, Midwestern University expects to expand eligibility of this program across its student body.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Midwestern University Foundation, 551 31st Street, Downers Grove, IL 60515
Contact:	Mr. Gregory J. Gaus, Senior Vice President and Chief Financial Officer, Midwestern University: (T) 630.515.6171; email: ggausx@midwestern.edu
Website:	www.midwestern.edu
Site Locations:	IFA proceeds can be used by students at the University's Illinois campus.
Financing:	IFA Series 2015 Student Loan Revenue Bonds (Midwestern University Foundation)
Organization:	Midwestern University Foundation is Illinois not-for-profit established as a 501(c)(3) corporation
Board of Directors – Midwestern University Foundation:	Kevin D. Leahy, Chair Gerrit A. van Huisstede, Vice Chair Kathleen H. Goeppinger, Ph.D., *President and Chief Executive Officer* Warren B. Grayson, J.D. Robert M. Lockhart, Ph.D. W. Jay Lovelace (Glendale, AZ) Thomas Eggleston (Glendale, AZ)

Board of Trustees – Midwestern University:	William D. Andrews, *Chair*
	Sr. Anne C. Leonard, C.N.D., *Vice Chair*
	Gerrit A. van Huisstede, *Secretary/Treasurer*
	Kathleen H. Goeppinger, Ph.D., *President and Chief Executive Officer*
	The Honorable Jean L. Baxter, J.D.
	Michael J. Blend, Ph.D., D.O.
	Janet R. Bolton, CFP, CIMA
	John H. Finley, Jr., D.O.
	Warren B. Grayson, J.D.
	Gretchen R. Hannan
	Kenneth R. Herlin
	John Ladowicz, M.B.A.
	Kevin D. Leahy
	Madeline R. Lewis, D.O.
	Robert M. Lockhart, Ph.D.
	W. Jay Lovelace
	The Honorable Elaine M. Scruggs
	Paul M. Steingard, D.O.
	Gary L. Trujillo, M.B.A.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Locke Lord LLP	Chicago, IL	George Burgett
Auditor:	Ernst & Young LLP	Chicago, IL	
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke, Chris Walrath
Underwriter:	RBC Capital Markets	Phoenix, AZ	Jeff Wagner
Underwriter's Counsel:	Kutak Rock LLP	Denver, CO	Anne Gish, Donald Stover
Student Loan Originator:	Campus Door, Inc.	Carlisle, PA	
Student Loan Servicer:	ECSI, a division of Heartland Campus Solutions	Coraopolis, PA	
Master Trustee (for IFA and AZ Bonds):	BNY Mellon Trust Company	New York NY	
Trustee's Counsel:	Perkins Coie LLP	New York NY	
Rating Agency:	Standard & Poor's	New York, NY	
IFA Counsel:	Katten Muchin Rosenman, LLP	Chicago, IL	Lew Greenbaum, Chad Doobay
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

SUPPLEMENTAL FINANCING TEAM DISCLOSURE ON GLENDALE IDA BONDS:

Midwestern University Foundation will engage the same participants as in its IFA transaction, with the exception of the following parties:

Issuer:	City of Glendale Industrial Development Authority	Glendale, AZ
Issuer's Counsel:	Ryley, Carlisle & Applestrader	Phoenix, AZ
Bond Counsel:	Squire Patton Boggs LLP	Phoenix, AZ

LEGISLATIVE DISTRICTS

Congressional:	6
State Senate:	24
State House:	47

IFA
ILLINOIS FINANCE AUTHORITY

CONDUIT

December 9, 2014

$7,000,000
O.L.L. Education Services

REQUEST

Purpose: Bond proceeds will loaned to **O.L.L. Education Services**, an Illinois not for profit corporation (the "**Borrower**"), in order to assist the Borrower in providing all or a portion of the funds necessary to do any of the following: (i) refinancing all or a portion of existing indebtedness incurred by the Borrower in connection with the acquisition and rehabilitation of three (3) school buildings located at 4100 Warren Avenue, Hillside, Illinois 60162, 621 Belvidere Road, Waukegan, Illinois 60085 and 801 Illinois Avenue, Aurora, Illinois 60506 (the "**Financed Property**") owned by the Borrower (the "**Refunding**") and leased to Special Education Services, an Illinois not for profit corporation and organization as described in Section 501(c)(3) of the Internal Revenue Code and (ii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bond, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTION

Final Bond Resolution (One-Time Consideration)

MATERIAL CHANGES

None – this is the first time this matter has been presented to the IFA Board of Directors.

JOB DATA

136	Current jobs	N/A	New jobs projected
N/A	Retained jobs	N/A	Construction jobs projected

DESCRIPTION

- Locations (being refinanced with bond proceeds): Aurora/Kane County/Northeast; Hillside/Cook/Northeast; and Waukegan/Lake County/Northeast
- Type of entities: O.L.L. Education Services and Special Education Services are independent 501(c)(3) non-profit organizations established under Illinois law and each is a qualified 501(c)(3) not-for-profit corporation separately incorporated under federal law.
- O.L.L. Education Services currently owns seven facilities in Illinois where over 650 children with significant disabilities are served by its sole tenant/lessee – Special Education Services. As the sole tenant/lessee, 100% of lease revenues used to pay debt service on the Series 2014 Bond will originate from Special Education Services.
- Special Education Services leases properties not only from O.L.L. Education Services but also other private or public (including school district) entities across Illinois and Arizona in furtherance of its charitable purpose to serve children with a variety of disabilities including autism, deafness, blindness, physical impairments, emotional disabilities, intellectual disabilities, traumatic brain injury, learning disabilities, specific learning disabilities and/or other health impairments.
- Special Education Services employs approximately 400 people throughout its operations (with over 130 employed at the three subject locations contemplated in connection with financing).

CREDIT INDICATORS

- The Borrower and its sole tenant/lessee are non-rated entities.
- The IFA 501(c)(3) Revenue Bond (O.L.L. Education Services Project) Series 2014 will be purchased directly by **BMO Harris Bank, N.A.** (the "**Bank**" or "**Bond Purchaser**"). The Bond Purchaser will be the secured lender and the direct bond investor.

SECURITY

- The Bank/Bond Purchaser will be secured by a first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the O.L.L. Education Services facilities located at 801 Illinois Avenue in Aurora, 4100 Warren Avenue in Hillside and 621 Belvedere Road in Waukegan, as well as a collateral assignment of Rents and Leases at the three subject facilities.

TERMS

- Not to exceed 20 years
- BMO Harris Bank, N.A. will establish a fixed interest rate for a term of 10 years. The interest rate will be negotiated and established prior to closing and is currently estimated between 2.50% and 3.50%.

SOURCES AND USES

Sources:		**Uses:**	
IFA Bonds	$7,000,000	Conventional Debt Refinancing	$7,000,000
Equity	100,000	Costs of Issuance	100,000
Total	**$7,100,000**	**Total**	**$7,100,000**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: O.L.L. Education Services

STATISTICS

Project Number:	N-NP-TE-CD-8696	Amount:	$7,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Aurora/Hillside/Waukegan	County/ Region:	Kane/Cook/Lake Counties (NE Region)

BOARD ACTION

Final Bond Resolution *(One-Time Consideration)*
Conduit 501(c)(3) Revenue Bonds — No IFA funds at risk
Credit Review Committee recommends approval — No extraordinary conditions

VOTING RECORD

None. This is the first time this matter has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will loaned to **O.L.L. Education Services**, an Illinois not for profit corporation (the "**Borrower**"), in order to assist the Borrower in providing all or a portion of the funds necessary to do any of the following: (i) refinancing all or a portion of existing indebtedness incurred by the Borrower in connection with the acquisition and rehabilitation of three (3) school buildings located at 4100 Warren Avenue, Hillside, Illinois 60162, 621 Belvidere Road, Waukegan, Illinois 60085 and 801 Illinois Avenue, Aurora, Illinois 60506 (the "**Financed Property**") owned by the Borrower (the "**Refunding**") and leased to Special Education Services, an Illinois not for profit corporation and organization as described in Section 501(c)(3) of the Internal Revenue Code and (ii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bond, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance 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, thereby reducing the Borrowers' interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$7,000,000	Uses:	Project Costs	$7,000,000
	Equity	100,000		Costs of Issuance	100,000
Total		**$7,100,000**	**Total**		**$7,100,000**

JOBS

Current employment:	136	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Structure/ Security:	The Bond will be purchased directly by BMO Harris Bank, N.A. (the "**Bank**" or "**Bond Purchaser**"), and held as an investment. The Bank/Bond Purchaser will be secured by a first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the O.L.L. Education Services facilities located at 801 Illinois Avenue in Aurora, 4100 Warren Avenue in Hillside and 621 Belvedere Road in Waukegan, as well as a collateral assignment of Rents and Leases at the three subject facilities.
Underlying Ratings:	Not applicable. The Bond will be purchased directly by BMO Harris Bank, N.A. and will not be rated.
Interest Rate:	BMO Harris Bank, N.A. will establish a fixed interest rate for a term of 10 years. The interest rate will be negotiated and established prior to closing and is currently estimated between 2.50% and 3.50%.
Maturity:	The anticipated final maturity date will be in 20 years (i.e., 2034).
Estimated Closing Date:	December 2014
Rationale:	The proposed tax-exempt financing will reduce monthly interest payments that (together with other funds available to the Borrower) will assist in helping O.L.L. Education Services keep fixed charges (including debt service payments) as low as possible. Reduced debt service payments will be realized by O.L.L. Education Services' sole tenant Special Education Services upon expiration of current leases and, as a result, Special Education Services will have additional resources that can be directed to the children and families it serves rather than overhead costs.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will loaned to **O.L.L. Education Services**, an Illinois not for profit corporation (the "**Borrower**"), in order to assist the Borrower in providing all or a portion of the funds necessary to do any of the following: (i) refinancing all or a portion of existing indebtedness incurred by the Borrower in connection with the acquisition and rehabilitation of three (3) school buildings located at 4100 Warren Avenue, Hillside, Illinois 60162, 621 Belvidere Road, Waukegan, Illinois 60085 and 801 Illinois Avenue, Aurora, Illinois 60506 (the "**Financed Property**") owned by the Borrower (the "**Refunding**") and leased to Special Education Services, an Illinois not for profit corporation and organization as described in Section 501(c)(3) of the Internal Revenue Code and (ii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bond, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Description: **O.L.L. Education Services** ("**O.L.L.**") and Special Education Services ("**SES**") are independent 501(c)(3) non-profit organizations established under Illinois law and each is a qualified 501(c)(3) not-for-profit corporation separately incorporated under federal law. Special Education Services is the sole lessee of O.L.L. Education Services' facilities, and thus, O.L.L. uses lease payments received from SES to remit debt service payments.

See the Economic Disclosure Statement section of this report for the respective Board Member listings for both O.L.L. and SES (see page 5).

Background on O.L.L Education Services:	Established in 1973 and incorporated in 1982, O.L.L. Education Services is a nonprofit organization that develops and leases rental property to non-for-profit special education schools. There are seven rental properties in operation that are located in the following cities: Aurora, Country Club Hills, North Aurora, Hillside, Park Forest, and Waukegan. All seven properties are currently leased to Special Education Services and provide 100% of O.L.L.'s revenue.
Background on Special Education Services:	Special Education Services provides schooling programs for adolescent children and young adults with behavioral, emotional and learning disabilities in the states of Illinois and Arizona.

Incorporated in 1976, SES has honed its approach to education and helped form an educational philosophy that emphasizes personalization, preparation for life, and supports for success. Focus on personalization, preparation for life and providing support for success serve as the foundation for all of SES' interventions.

SES receives its revenues through payments from school districts based on rates established by state authority or through negotiation with local school districts. Marketed nationwide as the "Menta Group", SES currently operates 22 programs and 16 schools throughout Illinois and Arizona.

Within Illinois, SES operates six private special education schools, three public private partnership schools and three post-secondary transition schools. In Arizona, SES operates three private special education schools and one public private partnership school, all again marketed as the "Menta Group" (see www.menta.com).

Programs in Illinois are designed by SES to serve students with intellectual disability, specific learning disability, emotional disability, other health impairment, multiple disability, autism or traumatic brain injury. Programs in Arizona are designed by SES to serve students with autism, emotional disability, mild or moderate mental retardation, other health impairment, specific learning disability, traumatic brain injury or speech and language disability.

Leadership at SES carefully tracks student data and outcomes. From reading scores to engaged learning time, attendance, specific behavioral outcomes, and graduations, SES believes that these data provide the foundation for ensuring that each individual student has the proper tools for success. Its educational model does not seek to simply move students through its programs, but rather it tries to reintegrate students back to their home districts and prepare them for success in less restrictive environments.

In recent years, SES has typically graduated over 100 high school students from its programs and reintegrated an additional 100 students to less restrictive settings.

Finally, leadership at SES is actively involved at the local, state, and federal levels. SES leadership strongly believes active involvement at the local, state, and federal levels is essential if the voices of the nation's neediest children are to be heard. SES's managment believes that all children can succeed if given the chance. Accordingly, SES will never give up on a child and will continue to advocate for all children's rights.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	O.L.L. Education Services, 195 Poplar Place, North Aurora (Kane County), IL 60542
Tenant/Lessee:	Special Education Services
Contact:	Brian McGowan, Chief Financial Officer, O.L.L. Education Services (T) 630-907-2400; Email: brian.mcgowan@menta.com

Website: www.menta.com

Site Locations: C.O.R.E. Academy
801 Illinois Avenue, Aurora, Illinois, 60506

Hillside Academy West
4100 Warren Avenue, Hillside, Illinois 60162

Lake Shore Academy
621 Belvedere Road, Waukegan, Illinois 60085

Project name: IFA 501(c)(3) Revenue Bond (O.L.L. Education Services Project), Series 2014

Board of Directors: O.L.L. Education Services (the "**Borrower**" or "**Lessor**") leases its facilities solely to Special Education Services (the "**Tenant**" or "**Lessee**") to operate therapeutic schools for children with disabilities.

O.L.L. Education Services Board of Directors

- Bridget Vlakancic (President)
- Cherie Aykroid (Secretary)
- Donald Voss

Tenant Disclosure: Special Education Services leases properties from O.L.L. Education Services and other private or public (including school district) entities. As a result of Special Education Services being the sole lessee at facilities owned by O.L.L. Education Services, 100% of lease revenues used to pay debt service on the Series 2014 Bonds will be from leases to Special Education Services.

Special Education Services Board of Directors

- Kenneth Carwell (President)
- Elizabeth Conran (Secretary)
- Dr. Laurie Mann (Treasurer)

PROFESSIONAL & FINANCIAL

Borrowers' Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randall S. Kulat Robert T. Cichocki
Auditor:	Mrjenovich & McGowan, Ltd.	Willowbrook, IL	
Bond Counsel:	Ice Miller LLP	Chicago, IL	James M. Snyder Enzo Incandela
Bank/Direct Bond Purchaser:	BMO Harris Bank, N.A.	Naperville, IL Milwaukee, IL	Peter Kinsella Kristyn Harrell
Bank Counsel:	Chapman & Cutler LLP.	Chicago, IL	Carol Thompson
IFA Counsel:	Kutak Rock LLP	Chicago, IL	Kevin Barney
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

LEGISLATIVE DISTRICTS

	C.O.R.E. Academy	Hillside Academy West	Lake Shore Academy
Congressional:	11	7	10
State Senate:	42	4	30
State House:	83	7	60

CONDUIT

December 9, 2014

$46,500,000 (not-to-exceed)
Navy Pier, Inc.

REQUEST	**Purpose**: Bond proceeds will be loaned to **Navy Pier, Inc.**, an Illinois not-for-profit organization (the "**Borrower**" or "**Corporation**"), and will be used for the purpose of providing the Corporation with all or a portion of the funds to: (i) pay or reimburse the costs of the manufacture and installation of a replacement observation wheel and necessary structural improvements (the "**OW Project**"); (ii) pay or reimburse the costs of the acquisition, construction, repair, rehabilitation and equipping of a new live performance theater and/or certain other projects including, but not limited to, renovation of the Crystal Gardens, the Family Pavilion Area, the Navy Pier East End area and/or Polk Bros Park (the "**Theater/Pierscape Project**" and, together with the OW Project, the "**Project**"); and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**"). The Project will be owned by the Metropolitan Pier and Exposition Authority and managed by the Borrower. **Program:** Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions:** Approval will be subject to the authorization of the Project owner and any corresponding additional conditions imposed, if any.
BOARD ACTION	Final Bond Resolution (One-time consideration)
MATERIAL CHANGES	None. This is the first time this financing has been presented to the IFA Board of Directors.
JOB DATA	323 (Avg.) Current jobs; 42 New jobs projected N/A Retained jobs; 340 Construction jobs projected (16 months)
DESCRIPTION	● Location: Chicago / Cook County / Northeast ● In 1989, the Illinois General Assembly created the **Metropolitan Pier and Exposition Authority** ("**MPEA**") and designated MPEA to manage and operate both McCormick Place and Navy Pier. MPEA redesigned Navy Pier into one of the country's most unique multi-purpose exposition and recreation facilities. Specifically, a newly renovated Navy Pier re-opened on July 12, 1995 as part of a $150 million redevelopment project, featuring a mix of year-round entertainment, shops, restaurants, attractions and exhibition facilities. ● On December 31, 2010, the MPEA Trustee recommended a new governance structure to the Governor and Illinois General Assembly, as required by MPEA reform legislation previously enacted. The recommendation called for Navy Pier to be leased to a not-for-profit corporation and, ultimately, Navy Pier, Inc. ("**NPI**"), was formed to separately govern and manage the pier. ● In 2011, NPI unveiled The Centennial Vision, a new redevelopment framework that reimagined Navy Pier as an enhanced attraction with dramatic, engaging public spaces and expanded entertainment, dining and retail options to draw more year-round and adult visitors. ● NPI's budget for Phase I of the redevelopment was set at $115 million and is scheduled for completion by 2016. Now, NPI is seeking to undertake the proposed tax-exempt bond issue to finance additional redevelopment costs, specifically the OW Project and the Theater/Pierscape Project.
CREDIT INDICATORS	● The Borrower is a non-rated entity. ● The IFA Series 2014A Bond and the Series 2014B Bond will be purchased directly by Fifth Third Bank, an Ohio banking corporation (the "**Bond Purchaser**"). The Bond Purchaser will be the secured lender and direct bond investor.
SECURITY	● Fifth Third Bank is expected be secured by a gross revenue pledge and a valid security interest in the Borrower's accounts receivables and receipts, as well as a collateral assignment of all rents and profits from leases, subleases, concession agreements and other occupancy agreements relating to the Leased Property.
MATURITY/INTEREST RATES	● The IFA $26.5MM Series 2014A Bond issued in connection with the OW Project will be amortized over 20 years, expected to be held for an initial period through 1/1/2024 (and extendable for a second 10-year term). ● The IFA $20.0MM Series 2014B Bond issued in connection with the Theater/Pierscape Project will be amortized based on a schedule which incorporates scheduled receipt of unrestricted Pledge and Sponsorship revenues, maturing on 1/1/2023. It is expected that bond proceeds will be drawn down over time as construction proceeds. ● The IFA Bonds will be purchased directly at a fixed or synthetically fixed interest rate for the terms of the Bonds. Respective initial interest rates will reflect prevailing market conditions prior to closing, estimated at 2.50% to 3.20% (*as of 12/4/2014*). The Bond Resolution will provide for a final maturity of up to 30 years, although the anticipated final maturity of the Series 2014A Bonds is 20 years and the anticipated final maturity for the Series 2014B Bonds is eight (8) years, as noted above.

SOURCES AND USES

Sources:		**Uses:**	
IFA Series 2014A Bond	$26,500,000	OW Project	$26,070,000
IFA Series 2014B Bond	20,000,000	Pierscape Projects	70,000,000
Chicago Shakespeare Theater	13,000,000	Costs of Issuance	430,000
MPEA	17,000,000		
Polk Brothers Foundation	20,000,000		
Total	**$96,500,000**	**Total**	**$96,500,000**

RECOMMENDATION	Credit Review Committee recommends approval, subject to the restriction that Bonds may only be offered, resold, pledged or transferred by Fifth Third Bank in whole or in part to qualified institutional buyers or accredited investors with an investment grade rating at the time of participation.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: Navy Pier, Inc.

STATISTICS

Project Number:	N-NP-TE-CD-8714	Amount:	$46,500,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution (*One-time Consideration*) Conduit 501(c)(3) Revenue Bonds
No IFA funds at risk

Credit Review Committee recommends approval, subject to the restriction that Bonds may only be offered, resold, pledged or transferred by Fifth Third Bank in whole or in part to qualified institutional buyers or accredited investors with an investment grade rating at the time of participation.

Extraordinary condition: Approval will be subject to the authorization of the Project owner and any corresponding additional conditions imposed, if any.

VOTING RECORD

None. This is the first time this financing has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be loaned to **Navy Pier, Inc.**, an Illinois not-for-profit organization (the "**Borrower**" or "**Corporation**"), and will be used for the purpose of providing the Corporation with all or a portion of the funds to: (i) pay or reimburse the costs of the manufacture and installation of a replacement observation wheel and necessary structural improvements (the "**OW Project**"); (ii) pay or reimburse the costs of the acquisition, construction, repair, rehabilitation and equipping of a new live performance theater and/or certain other projects including, but not limited to, renovation of the Crystal Gardens, the Family Pavilion Area, the Navy Pier East End area and/or Polk Bros Park (the "**Theater/Pierscape Project**" and, together with the OW Project, the "**Project**"); and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

The Project will be owned by the Metropolitan Pier and Exposition Authority and managed by the Borrower.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance 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 Bond paid to bondholders, thereby reducing the Borrowers' interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

JOBS

Current employment:	323 (Avg.)	Projected new jobs:	42
Jobs retained:	N/A	Construction jobs:	340 (16 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Series 2014A Bond	$26,500,000	Uses:	OW Project	$26,070,000
	IFA Series 2014B Bond	20,000,000		Pierscape Projects	70,000,000
	Chicago Shakespeare Theater	13,000,000		Costs of Issuance	430,000
	MPEA*	17,000,000			
	Polk Brothers Foundation	20,000,000			
	Total	**$96,500,000**		**Total**	**$96,500,000**

*Constitutes a portion of MPEA Phase I Funds ($115.0MM total) deposited into NPI Capital Improvement Account, pursuant to the Lease Agreement entered into between NPI and MPEA.

FINANCING SUMMARY

Structure: The plan of finance contemplates the issuance tax-exempt bonds, in one or more series, in an amount not-to-exceed $46.5 million to be purchased directly by Fifth Third Bank, an Ohio banking corporation (the "**Bond Purchaser**"). The Bond Purchaser will be the secured lender and the direct bond investor.

As typical for bank direct purchase bond issues, the IFA Series 2014A and IFA Series 2014B Bonds will not be rated.

Bank Collateral: Fifth Third Bank is expected be secured by a gross revenue pledge and a valid security interest in the Borrower's accounts receivables and receipts, as well as a collateral assignment of all rents and profits from leases, subleases, concession agreements and other occupancy agreements relating to the Leased Property.

Additionally, in the event of lease termination between Navy, Pier, Inc. ("**NPI**", the "**Lessee**" or "**Borrower**") and Metropolitan Pier and Exposition Authority ("**MPEA**" or the "**Lessor**") prior to repayment in full of the Series 2014A Bond and Series 2014B Bond, MPEA as the Project owner will honor the bank's collateral.

Interest Rate: The IFA Bonds will be purchased directly at a fixed or synthetically fixed interest rate for the terms of the Bonds. Respective interest rates will reflect prevailing market conditions prior to closing, with an effective interest rate estimated at 2.50% to 3.20% (*as of 12/4/2014*).

Underlying Debt Rating: The Borrower is a non-rated entity. Again, the IFA Series 2014A Bond and IFA Series 2014B Bond will not be rated.

Maturity: For parameter purposes, the Resolution approves a not-to-exceed maturity of 30 years. However, the expected maturities are as follows:

Series 2014A Bond
20 years (with anticipated maximum initial term ending 1/1/2024)

Series 2014B Bond
9 years (i.e., 1/1/2023)

Estimated Closing Date: December 2014

Rationale: The long-term strategic plan for Navy Pier is to improve the mix of retail, dining, cultural and entertainment options in an effort to further expand its customer base to drive an increase in year-round attendance. A key component of the plan is the redevelopment of the infrastructure to update the look and feel of Navy Pier and improve the overall facility.

Observation Wheel Replacement Project:

According to the Borrower, Observation Wheel technology has dramatically improved in recent years, providing NPI with the opportunity to significantly improve the guest experience on its most popular attraction, while reducing maintenance costs. In fact, the current Observation Wheel is reaching the end of its useful life, according to NPI. The current Observation Wheel was put in service in 1995 and has been operational since that time (i.e., approximately 20 years). Compared to newer observation wheels, the existing wheel is limited by gondola passenger capacity, lack of enclosure, mechanical limitations and loading efficiency. With these issues in mind and an abundance of new wheel options, NPI began the process of evaluating the replacement of its current wheel.

As a result, NPI will be replacing the existing wheel with a DW60 model, manufactured by Dutch Wheels. The new DW60 has 42 gondolas, 40 of which can seat on average up to ten persons. This is a significant increase in capacity over the existing wheel, which has 40 gondolas that seat on average up to six persons. The new observation wheel will result in a 42% capacity increase over the existing wheel. Moreover, the temperature-controlled gondolas will allow comfortable year-round operation for passengers. The proposed timeline for the completion of the DW60 wheel coincides with Navy Pier's Centennial celebration in the summer of 2016.

Theater/Pierscape Projects:

Additionally, coinciding with the 400th anniversary of William Shakespeare's death, the **Chicago Shakespeare Theater** ("**CST**") is planning on expanding its offerings with the opening of a new state-of-the-art theater. The new enclosed theater would host between 250-350 events per season, most of which would fall in the Pier's "shoulder" and "off" seasons. New offerings of non-traditional productions would attract new patrons to the Theater and Pier. A flexible seating configuration and stage structure would allow performances to seat from 500-900 theatergoers. Total cost of the Theater Project is $28 million, with NPI ($15 million) and CST ($13 million) sharing the cost. The new theater will replace the Pepsi Skyline Stage, which was an underutilized facility due to its seasonal usage.

Additionally, Series 2014B Bond proceeds may be used to pay or reimburse a portion of the costs of the acquisition, construction, repair, rehabilitation and equipping of certain other projects including, but not limited to, renovation of the Crystal Gardens, the Family Pavilion Area, the Navy Pier East End area and/or Polk Bros Park. Accordingly, Polk Brothers Park is expected to cost $42.0MM, with bond proceeds financing approximately $5.0MM to $20.00MM depending on the utilization of Series 2014B bond proceeds for the redevelopment of Pepsi Skyline Stage.

Based on the proposed not to exceed $46.5 million issuance amount, savings attributable to financing the redevelopment project on a tax-exempt basis versus a taxable basis will be substantial and cumulative over the term of the Bonds. Savings attributable to tax-exempt financing will also free up NPI cash to be used for other purposes that will enhance Navy Pier.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be loaned to **Navy Pier, Inc.**, an Illinois not-for-profit organization (the "**Borrower**" or "**Corporation**"), and will be used for the purpose of providing the Corporation with all or a portion of the funds to: (i) pay or reimburse the costs of the manufacture and installation of a replacement observation wheel and necessary structural improvements (the "**OW Project**"); (ii) pay or reimburse the costs of the acquisition, construction, repair, rehabilitation and equipping of a new live performance theater and/or certain other projects including, but not limited to, renovation of the Crystal Gardens, the Family Pavilion Area, the Navy Pier East End area and/or Polk Bros Park (the "**Theater/Pierscape Project**" and, together with the OW Project, the "**Project**"); and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

The Project will be owned by the Metropolitan Pier and Exposition Authority and managed by the Borrower.

Estimated OW Project costs financed with Series 2014A Bond proceeds consist of the following:

Ferris wheel Manufacture/Engineering	$16,520,000
Ferris wheel Design/Installation	9,550,000
Total	**$26,070,000**

Estimated Theater/Pierscape Project costs potentially financed with Series 2014B Bond proceeds consist of the following, provided however, that certain other projects including, but not limited to, renovation of the Crystal Gardens, the Family Pavilion Area, the Navy Pier East End area and/or Polk Bros Park may be financed with Series 2014B Bond proceeds in an amount not-to-exceed $20.0MM:

Theater Construction/Repair/Rehab	$15,000,000
Portion of Polk Brothers Park	5,000,000
Total	**$20,000,000**

BUSINESS SUMMARY

Description: **Navy Pier, Inc.** ("**NPI**", the "**Lessee**" or the "**Borrower**") was established in 2011 for the purpose of managing, operating and redeveloping Navy Pier. The Navy Pier facilities (i.e., physical plant) are owned by the Metropolitan Pier and Exposition Authority ("**MPEA**" or the "**Lessor**"), a local government entity established by the Illinois General Assembly.

NPI is incorporated under State of Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code. NPI is currently governed by a Board of Directors comprised of 22 members (see Economic Disclosure Statement on pages 7-11).

The Metropolitan Pier and Exposition Authority, the entity that owns Navy Pier's physical plant, is currently comprised of 9 members. Four members are appointed by the Governor of Illinois and four members are appointed by the Mayor of Chicago. The Chairman is selected by the MPEA Board.

Background: The Navy Pier facility has been a Chicago icon and popular destination throughout much of its history. Opened to the public in 1916 and originally named "Municipal Pier," Navy Pier was built under nationally-known architect Charles Sumner Frost based on Daniel Burnham's "Master Plan of Chicago." Municipal Pier was officially renamed Navy Pier in 1927 as a tribute to the Navy personnel who were housed at the Pier during World War I. Designated as a Chicago landmark in 1977, Navy Pier underwent a redevelopment in 1994 with improvements made to nearly every aspect of the Pier. Since it reopened in July 1995, Navy Pier has offered a diverse and eclectic experience and is positioned in one of the most unique settings in the world.

In July of 2011, Navy Pier, Inc. was created to lessen the burden of the government by operating and facilitating the redevelopment of Navy Pier. While MPEA retains ownership of the Navy Pier facilities, NPI has the authority to make key decisions on operations, maintenance and implementation of Navy Pier's revitalization involving capital projects. Accordingly, the newly formed not-for-profit entity entrusted with the operation and redevelopment of Navy Pier put forth The Centennial Vision, a framework for reimagining Navy Pier as it approaches its centennial year in 2016. The vision's purpose is not only to expand the Pier's audience but to enrich the experience of its visitors.

Navy Pier is among Illinois' most popular and distinctive attraction with nearly 9 million visitors in 2010. The vision and purpose of The Centennial Vision is not only to expand Navy Pier's audience but enrich the experience of its diverse constituency ranging from Midwestern families to global visitors. The Centennial Vision will build on this foundation of success to create a truly great public place, featuring world-class attractions designed to provide a memorable experience for visitors.

The Centennial Vision includes new and renovated features designed to expand Navy Pier's audience. Programmatically, that means more evening and year-round entertainment, more compelling landscaping and design features, and a more engaging relationship between visitors and the Lake Michigan waterfront.

Phase I of the redevelopment is budgeted by NPI at $115 million, with additional funding from private sources, is scheduled for completion by 2016. Pursuant to the Lease Agreement entered into between NPI and MPEA, NPI received $22.5 million and $37.5 million from MPEA during the years ended December 31, 2012 and December 31, 2011, respectively. As of April 16, 2014, the Lease Agreement between NPI and MPEA was amended to allow MPEA to deposit additional funds of up to $55.0 million.

Planning for a second phase (Phase II) is now underway, subject to availability of private, commercial, corporate and philanthropic funding. Upon closing of the proposed IFA Series 2014 Bonds, the Pier will also pursue other revenue sources beyond the $20.0 million donation from Polk Brothers Foundation and utilizing Phase I funds contributed by MPEA for elements such as Polk Bros Park, the Crystal Garden, Pier Park, and the Navy Pier East End area, as well as overall Pier lighting and landscaping elements. These potential revenue sources, beyond investment by not-for-profit and commercial partners, may include naming rights, fundraising by Navy Pier, Inc., and surplus cash flow from Navy Pier operations.

For more information regarding The Centennial Vision, including its programmatic elements which consists of Pierscape, Chicago Children's Museum, Chicago Shakespeare Theater, Family Pavilion, Festival Hall, Events and Entertainment, and a proposed Boutique Hotel, please visit www.navypiervision.com/pdfs/The_Centennial_Vision.pdf.

Background on MPEA/NPI Lease:

Effective July 1, 2011, NPI entered into a long-term lease agreement with MPEA to manage, operate and develop the pier. Pursuant to the lease agreement, NPI has authority to make key decisions related to operations, maintenance and the implementation of Navy Pier's revitalization (defined as "**Approved Operations**"). Approved Operations include the following:

(a) implementation of the Framework Plan as developed during the transition period from approximately February 2011 until the effective date of the lease of July 1, 2011;
(b) maintaining, repairing, operating, designing, financing, subleasing, licensing, developing, redeveloping, and/or demolishing the grounds, buildings and facilities consistent with the Framework Plan; and
(c) Supporting and benefitting MPEA through developing and operating the pier for the achievement of MPEA's governmental purpose.

The Lease Agreement term is from July 1, 2011 through June 30, 2036, with four renewal options of 20 years each, providing for a maximum possible term of 105 years. Notably, NPI may terminate the lease at any time. However, MPEA can terminate the lease only upon default by NPI. Events of default under the Lease Agreement include the following:

(a) Failure by NPI to comply in any material respect with the Framework Plan, or with the terms of the lease agreement (provided that such failure is not remedied within 90 days after written notice);
(b) Failure by NPI to pay a certain Promissory Note when due, and such failure continues for more than 60 days; and
(c) NPI abandons the premises; or
(d) NPI is bankrupt or insolvent.

Background on Shakespeare Theater:

As proposed, a portion of IFA Series 2014B Bond proceeds may be loaned to NPI to pay or reimburse the costs of the acquisition, construction, repair, rehabilitation and equipping of a new live performance theater.

Chicago Shakespeare Theater, an Illinois not for profit corporation ("**CST**"), operates at Navy Pier. CST is a global theatrical force, known for vibrant productions that reflect Shakespeare's genius for storytelling, language and empathy for the human condition. For the 400th anniversary of William Shakespeare's death, the Chicago Shakespeare Theater is planning on expanding its offerings with the opening of a new state-of-the-art theater. The new enclosed theater will host between 250-350 events per season, most of which will fall in the Pier's "shoulder" and "off" seasons. New offerings of non-traditional productions are expected to attract new patrons to the Theater and Pier. A flexible seating configuration and stage structure would allow performances to seat from 500-900 theatergoers. Total cost of the project is $28 million, with NPI ($15 million) and CST ($13 million) sharing the cost. NPI will benefit from additional rent and increased ancillary revenue. The new Theater will replace the Pepsi Skyline Stage, which has been an underutilized facility due to its seasonal use.

The Illinois Development Finance Authority, predecessor to IFA, issued its Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 to (i) finance costs of design, construction and equipping of an approximately 75,000 square foot, seven story theater located on Navy Pier at 800 East Grand Avenue in Chicago, Illinois on property leased from the Metropolitan Pier and Exposition Authority and (ii) pay certain bond issuance costs.

The Illinois Development Finance Authority's Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 were supported by a Letter of Credit issued by Bank of America, N.A. that would have otherwise expired in September 2011. At the request of the Chicago Shakespeare Theater, IFA executed an Amended and Restated Indenture (including a revised form of Bond contained therein) and related documents to effectuate the creation of a new bank purchase mode for the Bonds, causing a reissuance for tax purposes. Wells Fargo Bank, N.A. purchased the Bonds in whole under the new bank purchase mode in September 2011 and continues to hold them as an investment without any credit enhancement. Likewise, U.S. Bank, N.A., as Trustee, continues to remain in place while the Bonds bear interest in the new bank purchase mode.

Finally, on August 12, 2014, Chicago Shakespeare Theater received IFA Board approval of a Resolution to authorize execution and delivery of a Supplemental Indenture to effectuate an extension of the initial interest rate period on the Illinois Finance Authority's $4,100,000 Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011, which were outstanding then in the principal amount of $4,100,000 and owned in whole by Wells Fargo Bank, N.A. (the "Bank" or "Bond Purchaser"). Approval of the technical amendment resulted in the initial interest rate period being extended until September 1, 2016.

All payments relating to the Illinois Finance Authority Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011are current and have been paid as scheduled. As of 11/19/2014, the IFA Series 2011 Bonds were outstanding in the principal amount of $4,100,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Navy Pier, Inc., 600 East Grand Avenue, Chicago, IL 60611
Contact:	Ralph R. Leslie, Chief Financial Officer, Navy Pier, Inc.; (T): 312-595-5171; E-mail: rleslie@navypier.com
Website:	http://www.navypier.com
Location:	Leasehold improvements undertaken by NPI with proceeds of the IFA Series 2014A Bond and IFA Series 2014B Bond at 600 East Grand Avenue, Chicago, IL 60611 are legally owned by the Metropolitan Pier and Exposition Authority ("**MPEA**").
Project name:	IFA Revenue Bonds, Series 2014A (Navy Pier, Inc. Project) IFA Draw Down Revenue Bonds, Series 2014B (Navy Pier, Inc. Project)

Applicant/Lessee (NPI) Board of Directors: NPI was established for the purpose of managing, operating and redeveloping Navy Pier which is owned by MPEA. NPI is governed by a Board of Directors, currently comprised of the following 22 members:

William J. Brodsky
Chairman, NPI Board
Chairman
CBOE Holdings Inc.

Andrea Zopp
Vice-Chairman, NPI Board
President & CEO
Chicago Urban League

Katie McClain
Secretary, NPI Board
Senior Manager
Invenergy LLC

Jack M. Greenberg
Ex-Officio, NPI Board
Chairman, MPEA
Jack Greenberg Associates

James R. Reilly
Ex-Officio, NPI Board
CEO
MPEA

Marilynn K. Gardner
Ex-Officio, NPI Board
President & CEO
Navy Pier, Inc.

Roger J. Kiley, Jr.
Ex-Officio, NPI Board
Attorney
Roger J. Kiley, Jr. Law

Norman Bobins
Chairman
The PrivateBank

Bruce R. Bachmann
Bachmann Associates

Devon Bruce
Attorney
Powers, Rogers & Smith, P.C.

Frank Clark
Retired Chairman & CEO
ComEd

Nora Daley

Patrick F. Daly
The Daly Group

Sarah Garvey
Retired Senior Executive
The Boeing Company

Roberto Herencia
President & CEO
BXM Holdings, Inc.

Donna LaPietra
Kurtis Productions

Timothy Mullen
Mullen Foundation

Michael O'Rourke
President
Signature Bank

Terry Peterson
Chairman
Chicago Transit Board

Jorge Ramirez
President
Chicago Federation of Labor

John Schmidt
Partner
Mayer Brown

Kurt Summers
Senior Vice President
Grosvenor Capital Management, LLP

Sub-Lessee Board of Directors: **Chicago Shakespeare Theater's Board** is currently comprised of the following members (*denotes Executive Committee Members):

Sheli Z. Rosenberg, Chair*
Of Counsel
Skadden, Arps, Slate, Meagher & Flom LLP

Eric Q. Strickland, Treasurer*
Senior Vice President, Manager, US Corporate Group
Northern Trust

Steven J. Solomon, Deputy Chair*
President, Exelon Foundation
Vice President, Corporate Relations, Exelon

Frank D. Ballantine
Partner
Clark Hill, PLC

Brit J. Bartter*
Vice Chairman, Investment Bank
JP Morgan

Thomas L. Brown
Vice President and Chief Financial Officer
RLI Corp

Allan E. Bulley III
President
Bulley & Andrews, LLC

Patrick R. Daley
Managing Partner
Tur Partners, LLC

Sheila A. Penrose*
Chairman
Jones Lang LaSalle

Judith Pierpont
Civic Leader

Paulita A. Pike
Partner
K&L Gates

Stephanie Pope
Vice President of Financial
Planning and Analysis
The Boeing Company

Richard W. Porter
Partner
Kirkland & Ellis, LLP

John Rau
President and CEO
Miami Corporation

Nazneen Razi
Senior Vice President and Chief
Human Resources Officer
Health Care Service Corporation

Glenn Richter*
Chief Operating Officer
Chief Administrative Officer
Nuveen Investments

Mark E. Rose
Chairman and CEO
Avison Young, Inc.

John W. Rowe*
Chairman Emeritus
Exelon Corporation

Robert Ryan
Vice President of Business
Development
eChalk

Carole Segal
Co-Founder
Crate & Barrel

Kathleen Kelly Spear
Senior Vice President, Compliance
& Integrity and Litigation (Retired)
Kraft Foods Global, Inc.

Harvey J. Struthers, Jr.
Chairman (Retired)
JPMorgan Private Bank Midwest

Eileen Sweeney
Director, Community Relations
Tampa Bay Buccaneers

Sheila G. Talton
President and CEO
Gray Matter Analytics

Marilynn J. Thoma*
Proprietor
Van Duzer Vineyards
Gayle R. Tilles
Director & Connoisseur Arts

William J. Tomazin, Jr.
Partner-in-Charge, Audit Chicago
Metro Business Unit
KPMG, LLP

Donna Van Eekeren*
Executive Chairman
Land O'Frost, Inc.

Priscilla A. (Pam) Walter*
Of Counsel
Drinker Biddle & Reath

Ava D. Youngblood
Founder & CEO
Youngblood Executive Search

CONDUIT

$23,000,000

December 9, 2014

Illinois Valley Community Hospital

REQUEST	**Purpose**: Bond proceeds will be used by **Illinois Valley Community Hospital** (the "**Borrower**") to provide the Borrower with all or a portion of the funds necessary to (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the "**Series 2009 Bonds**"), (ii) provide working capital and (iii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**"). **Program**: Conduit Taxable 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	652 (561 FTEs) Current jobs — N/A New jobs projected 652 (561 FTEs) Retained jobs — N/A Construction jobs projected
DESCRIPTION	● Location (Peru / LaSalle / Northwest Region) ● **Illinois Valley Community Hospital** ("**IVCH**") is a 56-bed hospital that provides a wide range of inpatient, outpatient and emergency services. IVCH's portfolio of healthcare services includes all the standard services expected of a hospital including general surgery, emergency medicine, and radiology.
SECURITY	● First mortgage on the property at 925 West Street, Peru, Illinois 61354.
CREDIT INDICATORS	● Option of variable or fixed rate debt. ● Bonds will be purchased by 4 banks: Midland States Bank, First State Bank, LaSalle State Bank and Peru Federal Savings Bank. ● Bonds will mature no later than 2035.
STRUCTURE	● Option of 20-year term and amortization with variable rate debt or 5, 10 or 20-year term with fixed-rate debt.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		**Uses**:	
IFA Bonds	$23,000,000	Refinancing	$22,570,000
		Cost of Issuance:	$430,000
Total	**$23,000,000**	**Total**	**$23,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: Illinois Valley Community Hospital

STATISTICS

Project Number:	H-HO-TE-CD-8699	Amount:	$23,000,000 (Not-to-Exceed)
Type:	Taxable 501(c)(3) Bonds	IFA Staff:	Pam Lenane
City:	Peru	County/Region:	LaSalle/Northwest

BOARD ACTION

Final Bond Resolution	No IFA Funds at Risk
Conduit Taxable 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 to provide the Borrower and the Hospital with all or a portion of the funds necessary to (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the "**Series 2009 Bonds**"), (ii)provide working capital and (iii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 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.

VOLUME CAP

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

JOBS

Current employment: 652 (561 FTEs)	Projected new jobs: N/A
	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses**:	
IFA Bonds	$23,000,000	Refinancing	$22,570,000
		Cost of Issuance:	$430,000
Total	**$23,000,000**	**Total**	**$23,000,000**

FINANCING SUMMARY

Security:	The Bonds will be secured by a first mortgage on the property at 925 West Street, Peru, Illinois 61354; Note issued pursuant to Master Trust Indenture.
Structure:	The variable rate bonds will have a 20-year term and amortization. If the hospital chooses fixed-rate, there will be the options of a 5-year, 10-year or 20-year term that would each feature a 20-year amortization schedule.
Interest Rate:	To be determined as of the date of pricing.

Interest Mode:	Variable rate based on 1-month LIBOR. Fixed rate based on 5-year LIBOR swap, 10-year LIBOR swap or 20-year LIBOR swap dependent on whether 5, 10 or 20-year term is selected.
Credit Enhancement:	None. (Bank direct purchase structure)
Maturity:	No later than 2035
Rating:	IVCH is not rated.
Estimated Closing Date:	December 2014

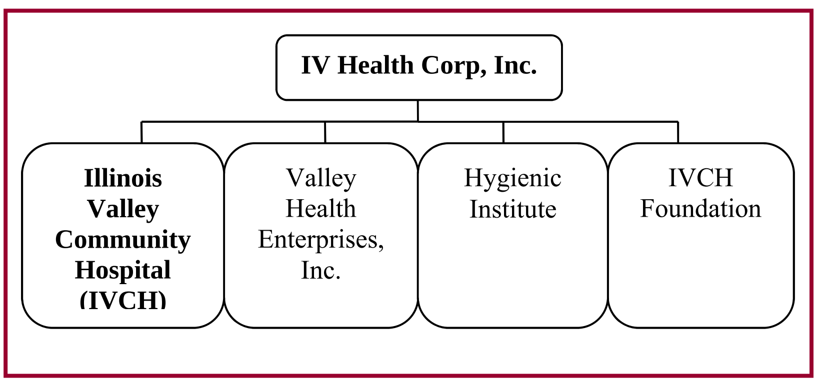
PROJECT SUMMARY (FINAL BOND RESOLUTION)

Bond proceeds will be used to provide the Borrower and the Hospital with all or a portion of the funds necessary to (i) refund all of the outstanding $22,955,000 Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the "**Series 2009 Bonds**"), (ii) provide working capital, and (iii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

IVCH and its predecessors, St. Mary's Hospital & Peoples Hospital, have provided healthcare services to the LaSalle County market since 1887. Located 50 miles northeast of Peoria and 90 miles southwest of Chicago, IVCH's primary service area encompasses western LaSalle County, eastern Bureau County, and northeastern Putnam County, IL. IVCH is a 56-bed hospital that provides a wide range of inpatient, outpatient, and emergency services. FYE 2013 operating revenue totaled approximately $78.3 million and assets totaled approximately $82.3 million.

It should be noted that IVCH is part of IV Health Corp, Inc. Please see the organization chart below:



IVCH is governed by a volunteer board of directors. The board members represent various constituents, companies, and organizations in the community. The board is rich with experience and diversity, and is deeply rooted in the community. Therefore, the board members are strongly committed to the long-term success of the Hospital.

ICVH and its predecessors—St. Mary's Hospital and Peoples Hospital—have a history of caring for the people of the Illinois Valley that dates back more than 100 years. IVCH has a stated mission to provide exceptional care through a commitment to clinical excellence and compassion for every patient. The Hospital's vision is to be a place where patients want to receive care, physicians want to practice, and employees want to work. In the pursuit of that mission, IVCH leadership is constantly improving hospital facilities and adding to its portfolio of services. Specifically, IVCH added a women's health care center in 2000, a modernized ER, surgery, and admitting area in 2003, a special procedures unit 2004, and the IVCH Center for Physical Rehabilitation and Aquatics in 2006. The IVCH Center for Physical Rehabilitation and Aquatics is a 15,000 square foot facility with over 30 pieces of innovative therapy equipment located away from the main hospital campus in the Miller Building of the Peru, IL YMCA.

In 2011, IVCH added a third floor to the East addition where its new Obstetrics and Intensive Care units were opened. IVCH's previous units were deteriorated and functionally obsolete. Specifically, the new Obstetrics Services department will further develop IVCH as a regional leader in obstetrics care. The Obstetrics Unit consists of a new labor-delivery-recovery suite, newborn nurseries and outpatient prenatal testing. The total cost of the obstetrics addition was approximately $6.8 million. The total cost of the intensive care unit was approximately $2 million. Other infrastructure (non-clinical) upgrades that occurred during this time were a new lobby, additional public space, on-call and housekeeping space and a helipad.

The board provides direction and oversight to the organization, with day to day activities delegated to the seasoned management team. The management team is led by the following individuals:

Chief Executive Officer – Tommy Hobbs – Mr. Hobbs has more than seventeen years of experience working in hospitals. He is the current CEO of both IV Health Corp, Inc. and Illinois Valley Community Hospital (2008 to Present). Prior to joining IVCH, Mr. Hobbs was the CEO of hospitals in South Dakota and Wisconsin. Mr. Hobbs has also worked as a management engineer for various hospitals and as manufacturing engineer for non-healthcare facilities. Mr. Hobbs holds a Bachelor of Science in Industrial Engineering from University of Arkansas and a Masters of Science Management from Capella University.

Chief Financial Officer– Stephen Davis – Mr. Davis has been the CFO of IVCH since 1989 and has over 32 years of experience in healthcare financial management. Prior to joining IVCH, Mr. Davis was the CFO at Hillsdale Community Health Center in Hillsdale, MI and McCray Memorial Hospital in Kendallville, IN during his eight year tenure with HCA Management Company. Prior to that, Mr. Davis was Assistant Controller at Knox Community Hospital in Mt. Vernon, OH. Mr. Davis holds a BS in accounting from Mt. Vernon Nazarene University.

IVCH provides a wide range of inpatient, outpatient and emergency services. IVCH's portfolio of healthcare services includes all the standard services expected of a hospital including General Surgery, Emergency Medicine, and Radiology. However, IVCH differentiates itself from other community hospitals by housing physicians encompassing more than 30 specialties. IVCH does not expect any of its physicians to retire in the next three years. See the table below for a sampling of the specialty services offered to the Illinois Valley community.

IVCH - Services/Specialties Provided		
Allergy/Immunology	Internal Medicine	Orthopedic Surgery
Anesthesiology	Nephrology	Pain Management
Cardiology	Neurology	Pathology
Dentistry	Neurosurgery	Pediatrics
Dermatology	Oncology	Plastic Surgery
Gastroenterology	Opthamology	Podiatry
Gynecology	Oral Surgery	Urology

Healthgrades, the leading independent care ratings company gave IVCH a top five-star rating for the quality of its joint replacement services (2011 and 2012) and orthopedic surgery (2011 and 2013). Additionally, it has received patient safety excellence awards (2011 and 2013) and patient experience awards (2011-2013). These awards are given to hospitals that are able to prevent infections, medical errors, and other complications, as well as display cleanliness, appropriate noise levels and post-discharge care instructions. IVCH strives to provide quality care as evidenced by these ratings which indicate IVCH's efforts to mitigate errors. As a result, IVCH has gained recognition in the community as a leading provider.

The bonds will be secured by a master note issued pursuant to a master trust indenture. The master note will be the joint and several obligation of the members of the obligated group (IV Health Corp, Inc., IVCH, Hygienic Institute, and IVCH Foundation).

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Illinois Valley Community Hospital
Location:	925 West Street, Peru, IL 61354
Project name:	Illinois Valley Community Hospital (Series 2014)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Stephen Davis; Stephen.Davis@ivch.org

Board of Directors: Both Kris Paul and James Loveland have been on the Board of Directors since 2000.

Name	Title
Kris Paul	President
James Loveland	Vice President
Dick Martuzzo	Secretary
David Sickley	Treasurer
George Buckman	Board Member
James Clinard	Board Member
Geetha Dodda, MD	Board Member
William Etzenbach	Board Member
Joe Hogan	Board Member
Cindy Kurkowski	Board Member
Mike Rooney, OD	Board Member
William Vlastnik	Board Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris, LLP	Chicago, IL	James Broeking
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Michael Mitchell
Placement Agent:	Lancaster Pollard & Co, LLC	Columbus, OH	Steve Kennedy
Bank Purchaser (1):	Midland States Bank	Effingham, IL	Jan Woodward
Bank Purchaser Counsel (1):	Ehrmann Gelhbach Badger Lee & Considine, LLC	Dixon, IL	Gary Gehlbach
Bank Purchaser (2):	First State Bank	Mendota, IL	Kirk Ross
Bank Purchaser (3):	LaSalle State Bank	LaSalle, IL	Jeff Ellis
Bank Purchaser (4):	Peru Federal Savings Bank	Peru, IL	Chris Vaske
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck
Issuer's Counsel:	Pam Lenane	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional:	16
State Senate:	38
State House:	76

SERVICE AREA

The primary service area for IVCH is the Illinois Valley. Broadly defined, the valley encompasses the western portion of La Salle County, the eastern portion of Bureau County and the northeast portion of Putnam County. The three counties had a total estimated population of 153,182 as of 2012, with La Salle making up the majority at 73.7%. The population in La Salle County has decreased by 0.8% since 2010, but increased by 2.2% from 2000 to 2010.

Located in north central Illinois, La Salle County is situated 90 miles southwest of Chicago and 50 miles northeast of Peoria. Its economy is based primarily on the service, transportation (warehousing), agriculture, and retail sectors. La Salle County is also home to Starved Rock State Park, a popular tourist destination. The Illinois Valley encompasses the cities of LaSalle, Peru, Oglesby, Spring Valley, and a number of surrounding villages. The Illinois Valley has both international and regional firms and does not rely on one employer as an economic anchor to the community.

Economic data for La Salle County shows median income is $49,414, which is slightly below the median of $52,967 for Illinois, but common among rural communities in the state. Poverty rates are 10.4% which is below Illinois's average of 13.1%, suggesting IVCH's patient base is more likely to be covered by Medicare or private insurance.

ILLINOIS FINANCE AUTHORITY

December 9, 2014

$665,000,000
Rush University Medical Center Obligated Group

REQUEST	**Purpose**: Bond proceeds will be used by **Rush University Medical Center Obligated Group** ("**RUMC**"**,** the "**Corporation**" or the "**Borrower**") to (i) finance, refinance or reimburse the costs of acquiring, equipping, constructing, and renovating certain health facilities of the Obligated Group (ii) refund RUMC's outstanding Series 2009A-D bonds (iii) refund RUMC's outstanding Series 2006B bonds and (iv) pay for costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (*One-time consideration*)
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	10,050 Current jobs (FTE's) N/A New jobs projected 10,050 Retained jobs (FTE's) N/A Construction jobs projected

DESCRIPTION

Locations for Obligated Group:

Rush University Medical Center ("RUMC");

Rush-Copley Medical Center, Inc. ("Rush-Copley");

Rush Oak Park Hospital ("ROPH");

Copley Memorial Hospital, Inc. ("Copley");

Copley Memorial Hospital Health Care Foundation ("Copley Foundation"); and

Copley Ventures, Inc. ("Copley Ventures, Inc.")

● **Rush University Medical Center ("RUMC")**

Rush University Medical Center is an academic medical center in Chicago, Illinois. The mission of Rush University Medical Center is to provide the very best care for the individuals and diverse communities it serves through the integration of outstanding patient care, education, research, and community partnerships.

The clinical and academic facilities are primarily located in the northeast portion of the Illinois Medical Center District. Major operations of RUMC include:

- 677-bed hospital;
- Orthopedic hospital which houses Midwest Orthopedics Group;
- Rush University;
- 800 physician Rush University Medical Group; and
- Rush's three Obligated Group members have 603 total employed physicians

Rush-Copley Medical Center, Inc., Copley Memorial Hospital, Copley Foundation, Copley Ventures and Services Corp. (collectively referred to as the "Copley Members").

The Copley Members include:

- Rush-Copley, the parent holding corporation;
- Copley Memorial Hospital, a 210 bed hospital in Aurora;
- Copley Foundation, organized exclusively to engage in charitable fundraising activities which promote the interests of Copley;

	• Copley Ventures, organized to establish and operate real estate properties; and • Rush-Copley Medical Group NFP, organized to operate and manage hospital-based physician practices.
SECURITY	● Obligated Group, Revenue pledge, certain covenants to be negotiated
CREDIT INDICATORS	● Current ratings: A2/A/A+ (Moody's / S&P / Fitch)
STRUCTURE	● Fixed rate, tax-exempt bonds. Up to 40 year maturity
SOURCES AND USES	
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		**Uses:**	
Par	$541,245,000	Project Fund	$36,500,000
Premium	54,780,093	Refunding Escrow	603,140,802
Release of DSRF's	48,492,618	Cost of Issuance	4,876,909
Total	**$644,517,711**	**Total**	**$644,517,711**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: Rush University Medical Center Obligated Group

STATISTICS

Project Number:	H-HO-TE-CD-8716	Amount:	$665,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
City:	Chicago Metro	County/Region:	Cook and Kane Counties; Chicagoland

BOARD ACTION

Final Bond Resolution (*One-time Consideration*)
Conduit 501(c)(3) Bonds
Credit Review Committee recommends approval.

No IFA Funds at Risk
No Extraordinary Conditions

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 **Rush University Medical Center Obligated Group** (“**RUMC**”**,** the “**Corporation**” or the “**Borrower**”) to (i) finance, refinance or reimburse the costs of acquiring, equipping, constructing, and renovating certain health facilities of the Obligated Group (ii) refund RUMC’s outstanding Series 2009A-D bonds (iii) refund RUMC’s outstanding Series 2006B bonds and (iv) pay for costs of issuance.

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/Retained Jobs:	10,050 (FTE’s)	Projected New Jobs:	N/A
		Construction Jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
Par	$541,245,000	Project Fund	$36,500,000
Premium	54,780,093	Refunding Escrow	603,140,802
Release of DSRFs	48,492,618	Cost of Issuance	4,876,909
Total	**$644,517,711**	**Total**	**$644,517,711**

FINANCING SUMMARY

Security:	Obligated Group, Revenue pledge, certain covenants to be negotiated
Structure:	Fixed rate, tax-exempt bonds.
Interest Rate:	TBD at time of pricing based upon market indices.

Maturity:	Up to 40 year maturity
Rating:	A2/A/A+ (Moody's / S&P / Fitch)
Estimated Closing Date:	February 16th, 2015

PROJECT SUMMARY

Bond proceeds will be used by **Rush University Medical Center Obligated Group** ("**RUMC**"**,** the "**Corporation**" or the "**Borrower**") to (i) finance, refinance or reimburse the costs of acquiring, equipping, constructing, and renovating certain health facilities of the Obligated Group (ii) refund RUMC's outstanding Series 2009A-D bonds (iii) refund RUMC's outstanding Series 2006B bonds and (iv) pay for costs of issuance.

BUSINESS SUMMARY

The Medical Center has been part of the Chicago landscape longer than any other health care institution in the city. Rush Medical College, a part of Rush University, was the first institution of higher learning chartered in Illinois. Rush University is also home to one of the nation's top-ranked nursing colleges.

The nursing program has been awarded Magnet Designation three consecutive times, the highest honor a hospital can receive for outstanding achievement in nursing services. It was the first medical center in Illinois caring for both adults and children to receive the Magnet Status. Rush University Medical Center provides a full range of medical and surgical services. In U.S. News & World Report's 2014-15 issue showcasing "America's Best Hospitals", RUMC ranked in 7 of 16 categories. RUMC currently has approximately 10,005 FTE's, of which 800 represent employed physicians.

Rush University includes Rush Medical College, the College of Nursing, the College of Health Sciences and The Graduate College. Total enrollment for the 2014-2015 academic year was over 2,200 students. RUMC is also the site of more than 70 residency and fellowship programs in medical and surgical specialties. Total research expenditures for FY2014 totaled $110 million. Research is focused on improving day-to-day lives of patients through community-based studies and research focused on clinical care.

Rush Oak Part Hospital is a 296-licensed bed acute care, rehabilitation and skilled nursing hospital, of which 128 are currently staffed, located approximately 8 miles west of RUMC in Oak Park, Illinois. Local competition is strong and represented by integrated delivery system hospitals and for-profit systems. Three of the strategic programs at RUMC are currently integrated at ROPH: Cancer center, Heart and Vascular, and Bone and Joint. Effective October 25, 2013, RUMC became the sole corporate member of the ROPH pursuant to a change in membership interest. All assets, liabilities and net assets of ROPH are consolidated with the financial results of rush as of June 30, 2014. Effective June 30, 2014, ROPH became an additional member of the Obligated Group.

The Copley Members became affiliated with RUMC in 1987 and joined the Obligated Group in 1993. Copley Memorial Hospital was founded in 1888 when it began operations as Aurora City Hospital. In 1995, Copley transferred its operations to a new replacement facility located on a 98-acre parcel of land. Copley Memorial Hospital provides a full range of inpatient and outpatient healthcare programs and services, with Institutes of Medicine including a Heart Institute, Cancer Care Center, Women's Health Center and Neuroscience Center. In U.S. News & World Report's 2014-2015 issue showcasing "America's Best Hospitals", Copley ranked as one of the best hospitals.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Rush University Medical Center Obligated Group
Location:	Chicago, Illinois
Project name:	Rush University Medical Center Obligated Group (Series 2015)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Patricia O'Neil, Vice President & Treasurer

Board of Trustees: (See attached)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dentons	Chicago	Mary Wilson
Bond Counsel:	Chapman and Cutler LLP	Chicago	Chris Walrath
Underwriter:	Goldman, Sachs & Co.	Chicago	Michael Brown
	Bank of America, Merrill Lynch	Chicago	Joseph Hegner
Co-Managers:	Loop Capital Markets	Chicago	
	Cabrera Capital Markets	Chicago	
	William Blair & Company	Chicago	
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago	Tom Fahey
IFA's Financial Advisor:	Sycamore Advisors, Inc	Chicago	Melanie Shaker
Borrower Financial Advisor:	Public Financial Management, Inc.	Chicago	Errol Brick
Issuer's Counsel:	Burk, Burns & Pinelli, Ltd.	Chicago	Mary Ann Murray

LEGISLATIVE DISTRICTS

RUMC:
Congressional: 7
State Senate: 5
State House: 9

Copley Memorial Hospital, Inc.:
Congressional: 14
State Senate: 42
State House: 83

Rush Oak Park Hospital:
Congressional: 7
State Senate: 39
State House: 78

SERVICE AREA

RUMC: Rush University Medical Center is located in the City of Chicago, Illinois. Due to its specialty and subspecialty programs, its patients are primarily from the contiguous 8-county service area, and other areas of Illinois and the Midwest.

Copley: Copley defines its primary service area (PSA) to include Aurora, North Plainfield, Montgomery, Oswego and Yorkville and several small communities in Kendall County. The remainder of Copley's patient population comes from its secondary service area, which includes other areas in DuPage, Kane, Kendall and Will Counties.

CONDUIT

December 9, 2014

$14,000,000
KishHealth System

REQUEST	**Purpose**: Bond proceeds will be used by **KishHealth System** (the "**Corporation**" or the "**Borrower**") to (i) fund the purchase of a 70,324 square foot medical clinic building commonly known as the DeKalb Clinic, 1850 Gateway Drive, Sycamore, IL. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	156 Current jobs — N/A New jobs projected 156 Retained jobs — N/A Construction jobs projected
DESCRIPTION	● Locations: Sycamore and DeKalb, Illinois (DeKalb County/Northeast Region) ● KishHealth System is purchasing the existing 70,324 square foot medical clinic building located at 1850 Gateway Drive in Sycamore, Illinois. The property is presently utilized as a medical/clinic facility, serving the population of the greater DeKalb/Sycamore market. The property will serve a similar use upon purchase by KishHealth System.
SECURITY	● 1st mortgage and assignment of rents on the real estate at 1850 Gateway Drive, Sycamore, IL
CREDIT INDICATORS	● Direct purchase by the National Bank & Trust Company of Sycamore and Castle Bank, a subsidiary of First National Bank of Omaha
STRUCTURE	• Matures in 5-years or 10 years. • Principal and interest payments due monthly, based on a 20-year amortization.
SOURCES AND USES	see below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses**:	
IFA Bonds	$13,300,000	Purchase Real Estate	$13,300,000
Total	**$13,300,000**	**Total**	**$13,300,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 9, 2014

Project: Kishwaukee

STATISTICS

Project Number:	H-HO-TE-CD-8717	Amount:	$14,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Cities:	DeKalb and Sycamore	County/Region:	DeKalb County / Northeast Region

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 **KishHealth System** (the "**Corporation**" or the "**Borrower**") to (i) fund the purchase of a 70,324 square foot medical clinic building commonly known as 1850 Gateway Drive, Sycamore, IL.

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 Jobs:	156	Projected new jobs:	N/A
Retained Jobs:	156	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$13,300,000	Purchase Real Estate	$13,300,000
Total	**$13,300,000**	**Total**	**$13,300,000**

FINANCING SUMMARY

Security:	1st mortgage and assignment of rents on the real estate commonly known as 1850 Gateway Drive, Sycamore, IL
Structure:	Principal and interest payments due monthly based on 20-year amortization schedule
Interest Rate:	Option 1) 2.80% Option 2) 3.75%
Interest Mode:	Fixed

Credit Enhancement:	Covenant: Maintain an Actual DSC Ratio that does not fall below 1.25: 1. The Actual DSC Ratio will be evaluated for each annual audited statement. The Term "Actual DSC Ratio:, expressed as a mathematical formula, means "Increase (Decrease) in Net Assets +/- Adjustments to Net Cash +/- Changes in Assets & Liabilities + Depreciation Expense + Interest Expense" / Total Actual Debt Service Requirements.
Maturity:	Option 1) 5-years Option 2) 10-years
Rating:	The Bonds will not be rated.
Estimated Closing Date:	February, 2015

PROJECT SUMMARY

Bond proceeds will be used by **KishHealth System** (the "**Corporation**" or the "**Borrower**") to (i) fund the purchase of a 70,324 square foot medical clinic building commonly known as 1850 Gateway Drive, Sycamore, IL.

BUSINESS SUMMARY

Market

KCH and VWCH account for the majority of KHS, but KHS contains a few other entities:
· Kishwaukee Health Foundation;
· Health Progress Inc., an entity to facilitate KHS' joint ventures as well as certain clinics;
· The DeKalb County Hospice;
· Home health; and
· Kishwaukee Physician Group (KPG), which employs about 10 physicians.

KHS typically generates operating losses at the CCC, Health Progress Inc., the hospice, home care, and KPG, with losses totaling around $5.5 million annually in fiscal years 2013 and 2014. Although KHS remains independently controlled and governed, it has increased the number of its clinical affiliations during the past few years to further support its goals of expanding certain service lines, including an oncology affiliation with Loyola Health System (part of Trinity Health) in Chicago and a stroke center affiliation with Central DuPage Hospital (now known as Cadence Health). KHS employs about 10 physicians, and DeKalb Medical Clinic, the largest clinic in the immediate area, with about 23 physicians on KHS' medical staff, is independent of but adjacent to KHS. The bond proceeds are being used to purchase the DeKalb Clinic medical clinic building.

The population of DeKalb County, estimated at 104,195, grew 11.31% in 2002 through 2007 but has slowed in recent years with just 1.1% total growth in the past five years. Although KHS' payor mix is not out of the norm, some concentration risk exists in that Blue Cross Blue Shield (BCBS) and Medicaid account for 18.1% and 11.6%, respectively, of the 2014 gross payor mix. KCH and VWCH are the only two general acute care hospitals located in DeKalb County, and primary service area market share for KCH declined slightly to 60% in 2013 from 62% in 2012. Some of the decrease was due to certain partnerships that KHS had developed for certain key service lines, including neuro-related services and cancer as well as some leakage of volume that management is focused on during the next year or two.

Although KCH and VWCH are the only hospitals in DeKalb County, the greater service area is somewhat competitive, with similarly sized and larger hospitals located in the neighboring counties of Winnebago (Rockford Memorial Hospital, Swedish American, and OSF Saint Anthony Medical Center, the last of which is part of OSF Health Care) and Kane (Delnor Community Hospital, which is part of Cadence Health; Sherman Hospital, which is part of Advocate Health Care Network; and Mercy and Saint Joseph Hospitals, which are part of Presence Health). Many of these hospitals are involved in or have recently completed their own construction projects, which could affect volumes, but mostly in the secondary service area. In addition, hospitals from the southwest suburbs have developed outpatient centers that compete with VWCH. Also, although the primary service area accounts for the majority of KHS' patient volume, the secondary service area still accounts for about 20% of the total patient base.

Volumes

As with many providers across the country, KHS' utilization statistics have declined in almost all key areas in the past three fiscal years after increasing in earlier years. Inpatient acute care admissions declined by 6.7% to 5,943 in fiscal 2014, following declines of 9.0% and 3.1% in fiscal years 2013 and 2012, respectively. Outpatient visits also declined, by 9.6% to 173,858 in fiscal 2014, but this was partly due to the sale of a small outpatient ophthalmology surgery center in early 2013 and some rebound has occurred through the first quarter of fiscal 2015. Total surgical volumes were down by 42.3% to 4,449, but the sale of the ophthalmology surgery center and expansion at KHS' joint venture surgery center affected that figure somewhat. Management reports that orthopedic volume and gastrointestinal volume could improve over the medium term, as physicians and strategies are deployed to offset any leakage.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	KishHealth System
Location:	DeKalb
Project name:	Kishwaukee (Series 2015)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Loren Feolske, Chief Financial Officer

<u>Board of Trustees</u>:

PROFESSIONAL & FINANCIAL

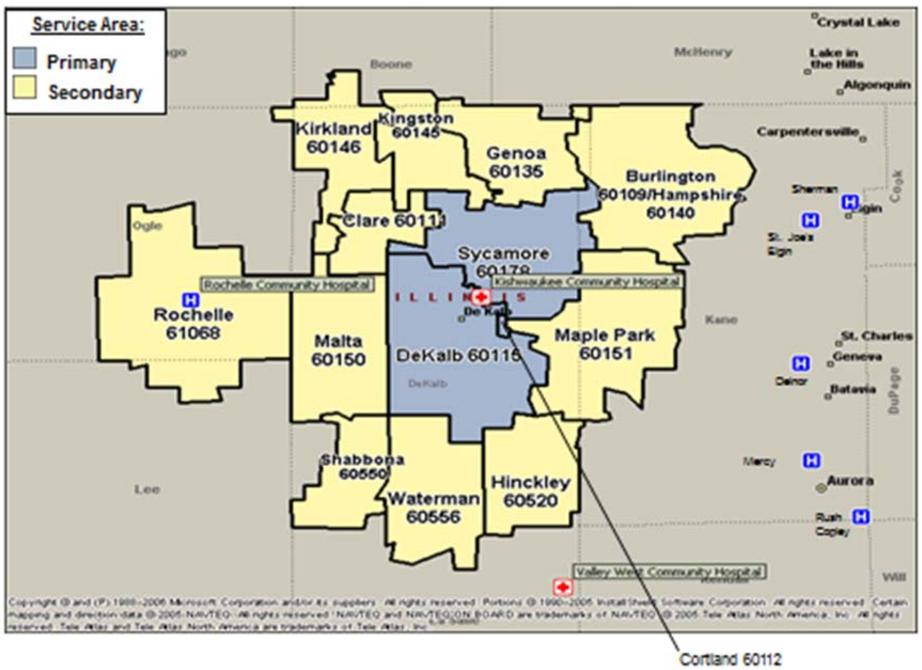
Borrower's Counsel:	Reinhart, Boerner, Van Deuren	Milwaukee, WI
Bond Counsel:	Chapman & Cutler	Chicago, IL
Bank Counsel:	Chapman & Cutler	Chicago, IL
IFA Financial Advisor:	Sycamore	Chicago, IL
Issuer's Counsel:	TBD	Chicago, IL

LEGISLATIVE DISTRICTS

Congressional:
State Senate: 11
State House: 14

SERVICE AREA

Kishwaukee Hospital Service Area Map



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: December 9, 2014

Re: Resolution Authorizing the Issuance of not to exceed $2,000,000 in Aggregate Principal Amount of the Illinois Finance Authority's Revenue Refunding Bond (Hispanic Housing Development Corporation Project), Series 2014, the Proceeds of which are to be Loaned to Hispanic Housing Development Corporation
IFA 2010 File Number: N-NP-TE-CD-8236
IFA 2014 File Number: N-NP-TE-CD-8719

Request:
Hispanic Housing Development Corporation, an Illinois not-for-profit corporation, ("**HHDC**" or the "**Borrower**") and **First American Bank,** an Illinois chartered commercial bank (the "**Bond Purchaser**" or the "**Bank**"), are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement and related documents to effectuate the refinancing of the outstanding principal amount of the Illinois Finance Authority Revenue Bond (Hispanic Housing Development Corporation Project), Series 2010 (the "**Series 2010 Bond**").

The Series 2010 Bond is presently held by MB Financial Bank, N.A., pursuant to a Resolution adopted by the Authority's Board of Directors on July 14, 2009. As proposed, the Authority's Revenue Refunding Bond (Hispanic Housing Development Corporation Project), Series 2014 (the "**Series 2014 Bond**") will be issued to refinance the Series 2010 Bond and be purchased in whole and held as an investment by First American Bank, which will become the Borrower's new relationship bank.

The original par amount of the Series 2010 Bond was approximately $2,192,400. The outstanding par amount of the Series 2010 Bond was approximately $1,931,130 as of December 1, 2014.

Approval of this resolution will (i) authorize the approximately $1,931,130 in outstanding principal amount of IFA Revenue Bond (Hispanic Housing Development Corporation Project), Series 2010 to be purchased directly by First American Bank and (ii) authorize an interest rate reset. Bond counsel has determined that a new public hearing on the project (i.e., a "**TEFRA Hearing**" as defined under the Internal Revenue Code of 1986, as amended) will not be necessary. Nevertheless, bond counsel has determined that this transaction will be considered a refunding for tax law purposes. IFA's estimated administrative fee will be $5,000.

Background:
The proceeds of the Authority's Series 2010 Bond were loaned to the Borrower for the purposes of (i) refunding in whole the Authority's $2,300,000 Revenue Bonds (Hispanic Housing Development Corporation Project) Series 2004, (ii) repayment in whole of a loan from the IFF and (iii) paying cost of issuance.

All scheduled payments relating to the IFA Series 2010 Bond are current as of 12/1/2014 and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower:	Hispanic Housing Dev. Corp.	Chicago, IL	Laura Selby Maritza Hernandez
Borrower's Counsel:	Minder, Barnhill & Galland, P.C.	Chicago, IL	Laura E. Tilly
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	First American Bank	Elk Grove Village, IL	Steve Eikenberry Mark Kroencke Ed Semik
Bank Counsel:	First American Bank (in-house)	Chicago, IL	James M. Berton
IFA Counsel:	Pugh, Jones & Johnson, P.C.	Chicago, IL	Lorraine Tyson
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

RESOLUTION NO. 2014-1209-AD09

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE ILLINOIS FINANCE AUTHORITY'S REVENUE REFUNDING BOND (HISPANIC HOUSING DEVELOPMENT CORPORATION PROJECT), SERIES 2014, THE PROCEEDS OF WHICH ARE TO BE LOANED TO HISPANIC HOUSING DEVELOPMENT CORPORATION

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

WHEREAS, **HISPANIC HOUSING DEVELOPMENT CORPORATION**, an Illinois not for profit corporation (the "**Corporation**"), has requested that the Authority issue its revenue bond consisting of the Authority's Revenue Refunding Bond (Hispanic Housing Development Corporation Project), Series 2014 (the "**Series 2014 Bond**") in an aggregate principal amount not to exceed $2,000,000 and loan the proceeds thereof to the Corporation in order to assist the Corporation in providing a portion of the funds necessary to (i) refund the Authority's Revenue Bond (Hispanic Housing Development Corporation Project), Series 2010 (the "**Series 2010 Bond**"); and (ii) if deemed desirable, pay certain expenses incurred in connection with the issuance of the Series 2014 Bond and the refunding of the Series 2010 Bond, all as permitted by the Act (collectively, the "**Financing Purposes**"); and

WHEREAS, a draft of the following document has been previously provided to and is on file with the Authority: a Bond and Loan Agreement (the "**Bond and Loan Agreement**") among the Authority, the Borrower and First American Bank, or any affiliate thereof (the "**Purchaser**"), providing for the issuance thereunder of the Series 2014 Bond and setting forth the terms and provisions applicable to the Series 2014 Bond, the loan of the proceeds of the Series 2014 Bond to the Corporation and the obligation of the Corporation to repay such loan, including securing the Series 2014 Bond by an assignment thereunder to the Purchaser of the Authority's right, title and interest in and to the loan repayment obligation of the Corporation thereunder;

WHEREAS, in connection with the issuance of the Series 2014 Bond, the Corporation and the Purchaser will enter into various additional documents containing certain covenants for the benefit of the Purchaser and providing certain additional security for the Series 2014 Bond.

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

Section 1. Findings. Based upon the representations of the Corporation, the Authority hereby makes the following findings and determinations with respect to the Corporation, the Series 2014 Bond to be issued by the Authority and the facilities refinanced with the proceeds of the Series 2014 Bond:

(a) The Corporation is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois

(b) The Corporation has properly filed with the Authority its request for assistance in providing funds to the Corporation and the funds will be used for the Financing Purposes, and the facilities refinanced with the proceeds of the Series 2014 Bond will be owned and operated by the Corporation and such facilities are included within the term "*project*" as defined in the Act;

(c) The facilities to be refinanced with the proceeds of the Series 2014 Bond do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(d) The indebtedness to be refinanced with the proceeds of the Series 2014 Bond was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Corporation were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "*project*" (as defined in the Act) owned or operated by the Corporation, such refinancing is in the public interest, is in connection with other financings by the Authority for the Corporation and is permitted and authorized under the Act; and

(e) The Series 2014 Bond is being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Series 2014 Bond. In order to obtain the funds to loan to the Corporation to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2014 Bond. The Series 2014 Bond shall be issued under and secured by and shall have the terms and provisions set forth in the Bond and Loan Agreement in an aggregate principal amount not exceeding $2,000,000. The Series 2014 Bond shall be issued in a single series designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer's execution and delivery of the Bond and Loan Agreement.

The Series 2014 Bond shall mature not later than 25 years from the date of its issuance, may be subject to serial maturities, principal installment requirements or mandatory bond sinking fund redemption as provided in the Bond and Loan Agreement and shall bear interest at fixed or variable rates not exceeding 15% per annum. The Series 2014 Bond shall be subject to redemption and to tender and be payable all as set forth in the Bond and Loan Agreement.

The Series 2014 Bond shall be issued only as a fully registered Bond without coupons. The Series 2014 Bond shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson or its Vice Chairperson and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2014 Bond shall be issued and sold by the Authority and purchased by the Purchaser at a purchase price of 100% of the principal amount of the Series 2014 Bond, plus accrued interest, if any.

The Series 2014 Bond and the interest thereon shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority from the Corporation pursuant to the Bond and Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the 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) proceeds of the sale of the Series 2014 Bond, (ii) the income and revenues derived by the Authority from the Corporation pursuant to the Bond and Loan Agreement and other amounts available under the Bond and Loan Agreement and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the Series 2010 Bond to be refunded, the principal amount of the Series 2014 Bond and any names or other designations therefor, dated date, maturities, purchase price, any principal installments or mandatory sinking fund redemption dates and amounts, redemption provisions, tender provisions, the Purchaser of the Series 2014 Bond, and the interest rates of the Series 2014 Bond, all within the parameters set forth herein.

Section 3. Bond and Loan Agreement. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, General Counsel, Acting General Counsel, or any Assistant Executive Director, or any person duly appointed by the Members to serve in such offices on an interim basis (each an "**Authorized Officer**"), and the delivery and use, of the Bond and Loan Agreement. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Bond and Loan Agreement. The Bond and Loan Agreement shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the Bond and Loan Agreement and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Series 2014 Bond and the purchase thereof.

Section 4. Arbitrage and Tax Certificate. The Authority does hereby approve the execution and delivery of an Arbitrage and Tax Certificate relating to the tax exemption of the Series 2014 Bond in such form as customarily used by bond counsel for Authority transactions similar to the Series 2014 Bond or with such changes therein as shall be approved by, or in such final forms as are approved by, the Authorized Officer of the Authority executing the Arbitrage and Tax Certificate, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final form of the Arbitrage and Tax Certificate.

Section 5. 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, supplemental bond and loan agreements, escrow agreements or other agreements providing for the payment of the Series 2010 Bond, and any additional documents as may be necessary to carry out and comply with the provisions of these resolutions, the Bond and Loan Agreement and Arbitrage and Tax Certificate, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond and Loan Agreement, Arbitrage and Tax Certificate or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond and Loan Agreement.

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

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

Section 8. Effectiveness. This 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: December 9, 2014

Re: Resolution Authorizing the Executive Director to Prepare a Suitable Forbearance Agreement Waiving any Event of Default until June 30, 2015 for Circulation among the Members of the Illinois Finance Authority and the Village Board of Thomson, Carroll County, Illinois, with Respect to $4,090,000 Original Aggregate Principal Amount of General Obligation Waterworks and Sewerage Revenue Bonds Issued by the Village of Thomson, Carroll County, Illinois, in 2000 and owned by the Authority; and Related Matters

---

Background on the Local Government Bonds:

The Village of Thomson issued $4,090,000 in 2000 through the Illinois Rural Bond Bank, a predecessor of the Illinois Finance Authority ("IFA"), the proceeds of which were used to finance (i) an expansion of the Village's waterworks and sewer infrastructure to a new state correctional facility and (ii) sewer improvements of a new industrial customer (originally Cultor Foods, now a subsidiary of DuPont).

The IFA subsequently amended (and refunded) the Series 2000 Bonds in 2006 and the current outstanding balance is $2,771,400.

Pursuant to the defeasance of all Illinois Rural Bond Bank Bond issues, the underlying Local Government obligations (including the subject issue on behalf of the Village of Thomson) became an IFA-owned bond (and, effectively, an IFA-owned loan) as of August 1, 2014.

Bondholder Security on the Village's Bonds:

The outstanding Bonds were issued as Alternate Revenue Bonds and the Village of Thomson has covenanted and agreed to provide for, collect, and apply its water and sewer system revenues as necessary to comply with the statutory minimum 1.25 times debt service coverage test required pursuant to Illinois law.

Additionally, because the outstanding Bonds were issued as Alternate Revenue Bonds, Thomson will continue to levy a direct annual tax on all taxable property within its corporate limits, without limitation as to rate or amount, and in amounts sufficient for the purpose, for each year while the subject Local Government Securities are outstanding.

As additional security to IFA (as the Bondholder), the Village, pursuant to Intercept Proceedings, has pledged Intercept Revenues to pay the principal, premium (if any), and interest on its Local Government Securities to the extent that such are due, have not been paid, and are in default. Sales tax revenues, income taxes, and personal property replacement taxes are the principal sources of Intercept Revenues currently being received by Thomson.

Request:

The Village of Thomson is currently working with the Federal Bureau of Prisons to execute a surcharge agreement that would provide the Village with revenues adequate to cover scheduled debt service payments on the IFA-held Bonds. This surcharge agreement would replace a series of agreements between the Village and the State of Illinois (including the Department of Corrections and the Department of Central Management Services) under which payments have been made while the facility has been under development.

It is unknown at this time, whether this surcharge agreement will be executed in time to cover the Village's scheduled debt service payments on its bonds due on February 1, 2015 or August 1, 2015.

Accordingly, the Village may have insufficient funds to pay the principal and interest on the Bonds, as scheduled as of February 1, 2015 and as of August 1, 2015, and may need to ultimately request a deferral of these payments to avoid an immediate substantial water/sewer rate increase and/or property tax increase to its citizens. (According to the 2010 US Census, Thomson had a population of 590, up from 559 in the 2000 Census.)

The accompanying Resolution requests authorization for the Executive Director to prepare a suitable Forbearance Agreement, if needed, whereby IFA will waive any covenant violations until June 30, 2015.

Ultimately, to the extent it is necessary to defer any principal or interest payments through a forbearance agreement, the deferral of any such payments would be subject to approval of a subsequent Resolution approving the Forbearance Agreement and authorizing its execution by the IFA Board of Directors. As a condition of any such subsequent Resolution, all of the existing security provisions for the existing Village of Thomson Bonds would remain in place pursuant to such a deferral.

The result envisioned by the accompanying Resolution would enable the Village to repay its Bonds to IFA on an amended schedule without imposing substantial water/sewer system rate increases or property tax increases on local users and taxpayers.

PROFESSIONAL AND LEGAL

Borrower:	Village of Thomson	Thomson, IL	Vicky Trager, Village President
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik

RESOLUTION NO. 2014-1209-AD10

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PREPARE A SUITABLE FORBEARANCE AGREEMENT WAIVING ANY EVENT OF DEFAULT UNTIL JUNE 30, 2015 FOR CIRCULATION AMONG THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY AND THE VILLAGE BOARD OF THOMSON, CARROLL COUNTY, ILLINOIS, WITH RESPECT TO $4,090,000 ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION WATERWORKS AND SEWERAGE REVENUE BONDS ISSUED BY THE VILLAGE OF THOMSON, CARROLL COUNTY, ILLINOIS IN 2000 AND OWNED BY THE AUTHORITY; AND RELATED MATTERS.

WHEREAS, in 2000, the Village of Thomson, Carroll County, Illinois (the "*Village*") issued $4,090,000 aggregate principal amount of its General Obligation Waterworks and Sewerage Revenue Bonds (the "*Bonds*"), which Bonds are currently outstanding in the aggregate principal amount of $2,771,400; and

WHEREAS, the Illinois Finance Authority (the "*Authority*") now owns all of the outstanding Bonds; and

WHEREAS, the Village may have insufficient funds to pay the principal of and interest on the Bonds, and the Authority may need to workout payment issues with the Village; and

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

Section 1. That the Executive Director of the Authority is hereby authorized to prepare a suitable Forbearance Agreement waiving any event of default until June 30, 2015 with respect to the Bonds and all related proceedings and documents, for circulation among the Members of the Authority and the Village Board.

Section 2. That the Chairman, the Vice Chairman, the Executive Director, the Treasurer, the Secretary, any Assistant Secretary and any other authorized officer of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority and to take such other actions as may be required in connection with any event of default with respect to the Bonds and all related proceedings and documents.

Section 3. 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 4. 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 5. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 9th day of December, 2014 by vote as follows:

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: William A. Brandt, Jr., Chairman

Date: December 9, 2014

Re: Resolution Appointing the Executive Director of the Illinois Finance Authority

---

Pursuant to 20 ILCS 3501/801-15, from nominations received from the Governor, the members of the Authority shall appoint an Executive Director who shall be a person knowledgeable in the areas of financial markets and instruments, to hold office for a one-year term.

IFA RESOLUTION NO. 2014-1209-AD11

RESOLUTION APPOINTING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY

WHEREAS, pursuant to Section 801-15 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act") the Authority is authorized to appoint its Executive Director from those persons nominated by the Governor; and

WHEREAS, the Illinois Finance Authority (the "Authority") has received nominations from the Governor of the State of Illinois for the office of Executive Director of the Authority; and

WHEREAS, the Executive Director shall hold office for a one-year term; shall be the chief administrative and operational officer of the Authority; shall direct and supervise its administrative affairs and general management; shall perform such other duties as may be prescribed from time to time by the members of the Authority and shall receive compensation fixed by the Authority.

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

Section 1. Authority. This Resolution is adopted pursuant to Section 801-15 and Section 801-25 of the Act. The preambles to this resolution are incorporated by reference as part of this resolution.

Section 2. Appointment of Executive Director. Christopher B. Meister has been nominated by the Governor for consideration by the Board for the office of Executive Director of the Authority. After due consideration, the members of the Authority have determined that Christopher B. Meister has satisfied all of the requirements set forth in the Act for appointment to the office of Executive Director of the Authority, including that he is knowledgeable in the areas of financial markets and instruments, and accordingly, is qualified to serve in this office. Christopher B. Meister is hereby appointed to the office of Executive Director of the Authority for a one-year term commencing on the date of adoption of this Resolution, provided that Christopher B. Meister agrees to resign from the one-year term of office at any time should he be requested to do so by the Governor-Elect or his designee.

Section 3. Delegation of Powers. The members of the Authority hereby delegate to Christopher B. Meister all of the powers of the office of Executive Director of the Authority pursuant to the Act, administrative rules, By-Laws and applicable resolutions of the Authority, including but not limited to, the following duties and powers: (1) to direct and supervise the administrative affairs and general management of the Authority as its chief administrative and operational officer; (2) to enter into and execute loans, contracts, agreements and mortgages connected with the corporate purposes of the Authority; (3) to invest the funds of the Authority; (4) to employ agents, employees, and independent contractors to carry out the corporate purposes of the Authority and to fix the compensation, benefits, and contractual terms and conditions of such agents, employees, and independent contractors; (5) to execute all agreements, documents, bonds, notes, checks, drafts and other instruments authorized by the Act, administrative rules, By-Laws and applicable resolutions of the Authority with the intent that the Authority be bound by each; and (6) other powers and duties as may be prescribed from time to time by the members of the Authority.

Section 4. Compensation. The compensation of the Executive Director will be established by the Board.

Section 5. Additional Authorization to Execute Documents. The members of the Authority desire to provide the Executive Director with an additional resource in furtherance of the performance of his administrative duties through the authorization of an additional signatory for the execution of all agreements, documents, bonds, notes, checks, drafts and other instruments (the "Authority Documents") on behalf of the Authority. The members of the Authority hereby authorize the Executive Director to designate in writing one or more authorized representatives who may execute any and all Authority Documents which may be executed by the Executive Director pursuant to the Act, administrative rules, By-Laws of the Authority, or any Authority resolution, agreement, document or other instrument, with the effect that the Authority be bound thereby, such authorization to be effective until revoked by the Executive Director or the members of the Authority. Each such designation will be in writing signed by the Executive Director and shall set forth the names of such designees who may execute Authority Documents when the Executive Director is incapacitated, absent or otherwise unavailable to execute Authority Documents.

Section 6. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 7. Repeal of Conflicting Resolutions. This resolution is intended to supersede all previous resolutions of the Board which are in conflict with the provisions hereof. To that end, all resolutions previously adopted by the Board which are in conflict with the provisions hereof are repealed, in whole or in part, to the extent of such conflict.

Section 8. Enactment. This Resolution shall take effect immediately.