ILLINOIS FINANCE AUTHORITY

April 8, 2014

AGENDA

COMMITTEE OF THE WHOLE MEETING
9:30 a.m.
IFA Chicago Office
Two Prudential Plaza
180 North Stetson Avenue, Suite 2555
Chicago, Illinois 60601

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

BOARD MEETING
10:30 a.m.
Conference Center
One Prudential Plaza
130 East Randolph Street, Suite 750
Chicago, Illinois 60601

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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds ***Final*** *(One-Time Consideration)*						
1	A) Mitchell R. Myers	Jackson Township (Effingham County)	$261,250	-	-	LK
	B) Landon Withrow	Hickory Hill Township (Wayne County)	$157,500	-	-	LK
TOTAL AGRICULTURE PROJECTS			**$418,750**	-	-	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Affordable Rental Housing Revenue Bonds ***Preliminary***						
2	Ridge Housing Partners, LLC and its affiliates, successors and assigns (915 West Wilson Supportive Living Facility Project)	Chicago (Cook County)	$20,000,000	46	100	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$20,000,000**	**46**	**100**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds ***Final*** *(One-Time Consideration)*						
3	Memorial Health System	Springfield (Sangamon County)	$140,000,000	100	40	PL/NO
TOTAL HEALTHCARE PROJECTS			**$140,000,000**	**100**	**40**	
GRAND TOTAL			**$160,418,750**	**146**	**140**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
4	Resolution Reauthorizing Authority Commercial Paper Revenue Notes (Loyola University of Chicago Financing Program) and Ratifying Certain Actions Related Thereto	RF/BF
5	Withdrawn	
6	Resolution Approving Certain Amendments to the Authority Series 2010A and Series 2010B (Palos Community Hospital and The St. George Corporation) Loan Agreements	PL/NO
7	Ratification of Resolution Supporting House Bill 4634, an Amendment to the Illinois Finance Authority Act Regarding the Transfer of Agricultural Guarantee Funds	CM
8	Resolution Approving the Terms of Rating Agency Contracts with Fitch Ratings and Standard & Poor's Ratings Services	MG

ILLINOIS FINANCE AUTHORITY

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April 8, 2014

TO:	William A. Brandt, Jr., Chairman	Michael W. Goetz, Vice-Chairman
	Gila J. Bronner	Heather D. Parish
	James J. Fuentes	Mayor Barrett F. Pedersen
	Norman M. Gold	Roger Poole
	Lerry Knox	Mordecai Tessler
	Edward H. Leonard, Sr.	David Vaught
	Carmen Lonstein	Bradley A. Zeller
	Terrence M. O'Brien	

RE: Message from the Executive Director

Dear Members of the Authority:

Governor's FY15 Budget Address

On March 26, 2014, Governor Pat Quinn presented his Fiscal Year 2015 budget to the Illinois General Assembly. The Governor's address detailed an honest and responsible budget for the next fiscal year along with a five-year blueprint that will secure the state's finances for the long-term, provide significant tax relief to homeowners and working families and invest like never before in education and early childhood. Because of hard steps taken with historic spending cuts, landmark pension reform and a historic labor contract that secured unprecedented savings for taxpayers, Illinois has cut spending by more than $5.7 billion. Today the State's discretionary spending is below 2008 levels and the backlog of bills has been reduced by $5 billion.

The Illinois Finance Authority strongly supports Governor Quinn's "Securing Illinois' Financial Future" budget, as well as his call for comprehensive tax reform that protects children, working families and seniors while preventing radical cuts to critical services. In addition, the Governor ruled out taxing retirement income, instituting a new tax on everyday services that working people rely on and slashing education which inevitably leads to property tax increases.

April 2014 Projects

In the Business and Industry market sector, Ridge Housing Partners, LLC and its affiliates, successors and assigns is requesting approval of a Preliminary Bond Resolution to acquire, rehabilitate and equip a 150-unit Supportive Living Facility at the current Wilson Windsor Apartments located at 915 West Wilson in Chicago. According to the development team, the projected $20,000,000 project will create an estimated 100 construction jobs during the 12- to 18-month construction of the facility.

In the Healthcare market sector, Memorial Health System is requesting approval of a Final Bond Resolution to modernize Memorial Medical Center in Springfield by expanding its patient tower and operating room, building a new four-story 50,000 gross sq. ft. education and training center for the use of Memorial Medical Center and the Southern Illinois University School of Medicine, and renovating and equipping Memorial Medical Center's existing energy plant and related infrastructure. This $140,000,000 project will create approximately 400 construction jobs.

Finally, in the Education market sector, Loyola University of Chicago is requesting reauthorization of its commercial paper program, initially offered in 2008 in an amount not-to-exceed $95,000,000.

News from Springfield

On April 2, 2014, the Authority appeared before the House Appropriations-Public Safety Committee led by Chair Luis Arroyo, Vice Chair Jay Hoffman, and Minority Spokesperson John Cavaletto. Thanks in large part to the Board's leadership, the Authority was favorably received. However, the fact that the Authority receives no State taxpayer appropriation to support its operations in what is predicted to be a very difficult budget year probably didn't hurt either.

Working with Howard Kenner, the Authority's Springfield representative, we are working on a variety of initiatives to improve our ability to help agriculture, education and infrastructure through financing. Specifically, Item 8 on this month's agenda is a Resolution Supporting House Bill 4634, an Amendment to the Illinois Finance Authority Act Regarding the Transfer of Agriculture Guarantee Funds. Sponsored by Rep. Brandon W. Phelps, HB 4634 provides that the Authority (instead of the State Treasurer) shall be custodian of the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund to allow for better control measures of the monies, and thus, applicable investment opportunities. We will keep you advised as to how these efforts develop.

The release date for the Fiscal Year 2013 Auditor General Compliance Audit for the Authority has still not been set. As you know, the Fiscal Year 2013 Auditor General Financial Audit was released on January 29, 2014.

Senate Confirmation of Members Lonstein and Vaught

Finally, we are very pleased to announce that the Illinois Senate confirmed Governor Quinn's appointments of Carmen Lonstein and David Vaught on March 20, 2014. On behalf of the Members and the staff of the Authority, we thank you for your commitment to public service and we look forward to working with you in support of jobs and financing capital expansion projects throughout our great state.

Respectfully,

Christopher B. Meister
Executive Director

Attachments: Bonds Activity Reports; Schedule of Debt

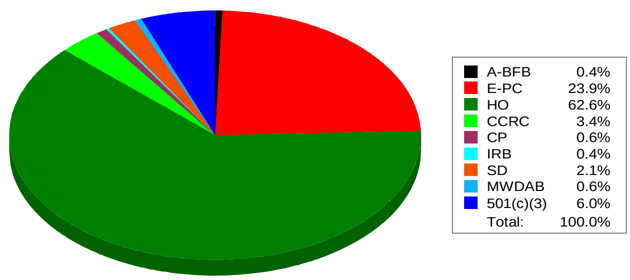
ILLINOIS FINANCE AUTHORITY

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

Fiscal Year 2012

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

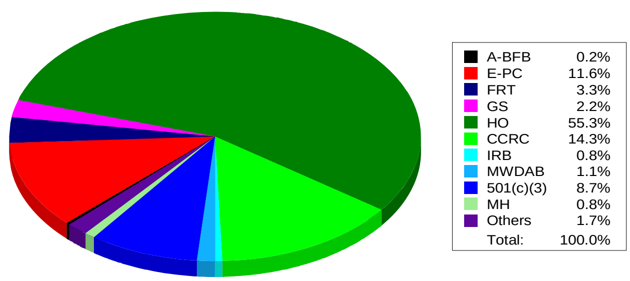
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

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

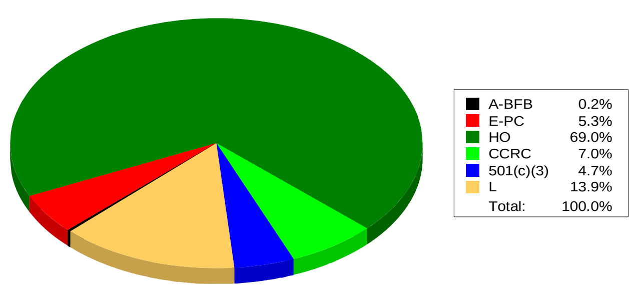
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	2,921,182
4	Education	93,895,000
6	Healthcare - Hospital	1,230,795,000
5	Healthcare - CCRC	125,660,000
8	501(c)(3) Not-for-Profit	98,882,000
6	Local Government	247,360,000
44		$ 1,799,513,182

Bonds Issued in Fiscal Year 2014



Bonds Issued and Outstanding as of March 31, 2014

Bonds Issued between July 01, 2013 and March 31, 2014

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
E-PC	Concordia University	07/01/2013	Variable	17,000,000	17,000,000
L	Township High School District Number 113, Series 2013A	07/01/2013	Fixed at Schedule	41,530,000	0
HO	Rehabilitation Institute of Chicago	07/01/2013	Fixed at Schedule	398,000,000	90,000,000
A-BFB	Beginner Farmer Bonds	07/01/2014	various	1,893,683	0
501(c)(3)	Lake Forest Country Day School	08/01/2013	Variable	23,000,000	23,000,000
HO	Advocate Health Care Network	08/08/2013	Fixed at Schedule	96,905,000	0
CCRC	Illinois College of Optometry	08/15/2013	Variable	40,665,000	40,152,503
L	Township High School District Number 113, Series 2013 B	08/21/2013	Fixed at Schedule	8,470,000	0
L	East Richland C.U.S.D. #1	08/29/2013	Fixed at Schedule	20,140,000	20,280,291
501(c)(3)	YMCA of Rock River Valley	09/24/2013	Variable	6,750,000	0
HO	Presence Health Network	09/17/2013	Variable	366,865,000	366,865,000
L	Community College District No. 532	09/27/2013	Fixed at Schedule	26,790,000	0
CCRC	Westminster Village	10/31/2013	Variable	7,000,000	0
501(c)(3)	Noble Network of Charter School	10/24/2013	Fixed at Schedule	20,000,000	0
CCRC	Peace Village	10/29/2013	Fixed at Schedule	22,495,000	16,225,000
E-PC	Columbia College Chicago	10/30/2013	Variable	7,850,000	7,695,000
501(c)(3)	Elim Christian Services	11/01/2013	Variable	14,577,000	14,400,000
HO	Elmhurst Memorial Healthcare	10/31/2013	Fixed at Schedule	109,025,000	126,760,629
E-PC	Benedictine University	11/20/2013	Variable	58,645,000	0
CCRC	Smith Crossing	11/08/2013	Variable	40,000,000	0
501(c)(3)	Lincoln Park Zoo	11/27/2013	Variable	15,000,000	0
L	Flora Connumity Unit School District	12/05/2013	Fixed at Schedule	8,730,000	0
L	Clean Water Initiative Revolving Fund	12/05/2013	Fixed at Schedule	141,700,000	99,120,000
CCRC	The Lodge of Northbrook	12/30/2013	Fixed at Schedule	15,500,000	0
HO	Elmhurst Memorial Healthcare	12/17/2013	Variable	200,000,000	0
A-BFB	Begining Farmer Bond	01/01/2014	Various	875,499	0
HO	Memorial Health System	01/30/2014	Fixed at Constant	60,000,000	0
E-PC	IIT Research Institute	02/28/2014	Variable	10,400,000	10,400,000
501(c)(3)	North American Spine Society	02/26/2014	Variable	8,860,000	8,860,000
501(c)(3)	New Hope Center	02/28/2014	Fixed at Schedule	5,325,000	5,325,000
501(c)(3)	Little City Foundation	03/18/2014	Variable	5,370,000	0
	Total Bonds Issued as of March 31, 2014			$ 1,799,361,182	$ 846,083,423

Legend Fixed Rate Bonds as shown
DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
Beginner Farmer Bonds interest rates are shown in section below.

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

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Scrivner, Wade David Hugh	07/10/2013	3.80%	440,000	164.63	Jefferson
Haile, Joshua R	10/07/2013	3.00%	195,000	123.00	Jefferson
Lynch, Derek C. and Lynch, Jonna \	10/25/2013	3.50%	249,100	55.00	Edwards
Curt & Stacey Robbins	12/03/2013	4.99%	250,000	1,250.00	Wayne
Cody D. Heiden	12/06/2013	3.25%	285,000	40.00	Fayette
Mason T. Muchow	12/06/2013	3.25%	246,783	41.15	Effingham
Tyler Ethan Ory Vaughn	12/06/2013	4.25%	120,000	80.00	Wayne
Gregory S. & Shyannon R.	12/13/2013	3.25%	107,800	98.00	Hamilton
Daniel & Bobbi Ochs	02/14/2014	3.25%	138,245	75.95	Jasper
Jabob Grapphaus	02/28/2014	2.76%	136,410	39.30	Madison
Levi M. Spurlock	02/28/2014	3.99%	95,000	40.00	Jefferson
Derek P. Ifft	03/06/2014	3.10%	100,000	10.00	Ford
Mark Quade	03/20/2014	3.25	167,500	49.75	Effingham
Phillip Ochs	03/20/2014	3.25	237,344	75.95	Jasper
Braden Short	03/26/2014	3.75	152,000	85.50	Hamilton
	Total Beginner Farmer Bonds Issued		$ 2,920,182	2,228.23	

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, 2013	Principal Outstanding March 31, 2014	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 50,122,850	$ 53,044,032		
Education	4,299,747,133	4,027,159,976		
Healthcare	13,167,246,739	13,521,378,506		
Industrial Development [includes Recovery Zone/Midwest Disaster]	727,007,782	780,914,185		
Local Government	220,095,000	378,735,000		
Multifamily/Senior Housing	173,925,220	172,028,246		
501(c)(3) Not-for Profits	1,360,842,375	1,383,702,084		
Exempt Facilities Bonds	330,020,000	299,970,000		
Total IFA Principal Outstanding	**$ 20,329,007,099**	**$ 20,616,932,029**		
Illinois Development Finance Authority "IDFA" [b]				
Education	12,911,388	12,126,388		
Healthcare	180,475,000	180,475,000		
Industrial Development	181,388,219	372,190,599		
Local Government	395,170,898	314,596,906		
Multifamily/Senior Housing	91,743,171	84,973,648		
501(c)(3) Not-for Profits	804,882,190	788,284,365		
Exempt Facilities Bonds	75,000,000	75,000,000		
Total IDFA Principal Outstanding	**$ 1,741,570,867**	**$ 1,827,646,905**		
Illinois Rural Bond Bank "IRBB" [b]				
Bond Bank Revenue Bonds	13,365,000	11,855,000		
Total IRBB Principal Outstanding	**$ 13,365,000**	**$ 11,855,000**		
Illinois Health Facilities Authority "IHFA"	**$ 1,270,303,000**	**$ 975,958,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 1,030,201,000**	**$ 697,957,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 21,609,864**	**$ 21,609,864**		
Total Illinois Finance Authority Debt	**$ 24,406,056,830**	**$ 24,151,958,798**	**$ 28,150,000,000**	**$ 3,998,041,202**

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

Section I (b)

	Principal Outstanding June 30, 2013	Principal Outstanding March 31, 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	13,365,000	$ 11,855,000		
Issued through IFA - Local Government Pools	23,875,000	21,370,000		
Issued through IFA - Illinois Medical District Commission	38,440,000	37,600,000		
Total General Moral Obligations	**$ 75,680,000**	**$ 70,825,000**	**$ 150,000,000**	**$ 79,175,000**
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ 2,630,000	$ -		
Issued through IDFA	1,250,000	-		
Total Financially Distressed Cities	**$ 3,880,000**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	58,665,000	11,630,000		
Issued through IFA [i]	69,679,739	147,919,666		
Total State Component Unit Bonds	**$ 128,344,739**	**$ 159,549,666**		

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, 2013	Principal Outstanding March 31, 2014	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	**$ 66,883,240**	**$ 66,255,380**	**$ -**	**$ 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**	**$ 206,173,414**	**$ 214,849,804**	**$ (8,676,390)**
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, 2013	Principal Outstanding March 31, 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, 2013	Principal Outstanding March 31, 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, 2013	Principal Outstanding March 31, 2014	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,099,610	**$ 13,029,800**	**$ 10,000,427**	**$ 160,000,000**	**$ 149,999,573**	**$ 8,491,873**
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,799,822	**$ 13,107,200**	**$ 10,290,803**	**$ 225,000,000** [e]	**$ 214,709,197**	**$ 8,747,182**
Agri Industry Loan Guarantee Program	$ 7,256,577	$ 5,380,414			4,573,352
Farm Purchase Guarantee Program	944,285	937,143			796,571
Specialized Livestock Guarantee Program	3,333,728	2,794,670			2,375,470
Young Farmer Loan Guarantee Program	1,572,606	1,178,576			1,001,790
Total State Guarantees	**$ 26,137,000**	**$ 20,291,230**	**$ 385,000,000**	**$ 364,708,770**	**$ 17,239,056**

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

Section V			Principal Outstanding June 30, 2013	Principal Outstanding March 31, 2014	Appropriation Fiscal Year 2014	Fund Balance
132	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 18,532,024**	**$ 17,052,813**	**$ 2,383,342**	**$ 4,390,109**
8	Ambulance Revolving Loan Program	**Fund # 334**	**$ 510,240**	**$ 415,920**	**$ 7,006,800**	**$ 3,767,041**

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

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

Section VI	Principal Outstanding June 30, 2013	Principal Outstanding March 31, 2014	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 78,235,000	$ 76,495,000		
Issued through IDFA	289,745,000	219,880,000		
Total Environmental [Large Business]	**$ 367,980,000**	**$ 296,375,000**	**$ 2,425,000,000**	**$ 2,128,625,000**
Environmental [Small Business]	$ -	$ -	**$ 75,000,000**	**$ 75,000,000**
Total Environment Bonds Issued under Act	**$ 367,980,000**	**$ 296,375,000**	**$ 2,500,000,000**	**$ 2,203,625,000**

Illinois Finance Authority Funds at Risk

Section VII		Original Amount	Principal Outstanding June 30, 2013	Principal Outstanding March 31, 2014
	Participation Loans			
9	Business & Industry	23,020,158	3,079,599	1,655,529
6	Agriculture	6,079,859	1,362,183	131,826
15	**Participation Loans exluding Defaults & Allowances**	**29,100,017**	**4,441,782**	**1,787,355**
	Plus: Legacy IDFA Loans in Default		**858,458**	**858,458**
	Less: Allowance for Doubtful Accounts		**1,162,656**	**1,003,316**
	Total Participation Loans		**4,137,584**	**1,642,497**
4	**Local Government Direct Loans**	**1,289,750**	**188,821**	**167,689**
3	**FmHA Loans**	**963,250**	**246,142**	**228,131**
2	**Renewable Energy [RED Fund]**	**2,000,000**	**1,489,068**	**1,419,910**
24	**Total Loans Outstanding**	**34,353,017**	**6,061,622**	**3,458,227**

[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
TUESDAY, MARCH 11, 2014
9:30 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the "Committee" or "COW"), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of March 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: 10 Present.

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

Having been absent when the Quorum Roll Call for Attendance was taken, Member Gold was recorded as present at the time of 9:44 a.m.

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

March 11, 2014

0 YEAS		0 NAYS		11 PRESENT	
P	Bronner	P	Leonard	P	Poole
P	Fuentes	P	Lonstein (VIA AUDIO CONFERENCE)	P	Tessler
P	Goetz	E	O'Brien	E	Vaught
P	Gold (ADDED)	P	Parish	P	Zeller
E	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.

III. Message from the Executive Director

Executive Director Meister stated that on February 26, 2014, United States House of Representatives Ways and Means Committee Chairman Dave Camp (R – MI) released a draft tax reform plan that would end the federal tax exemption for conduit bonds as a whole and for advanced refunding conduit bonds issued after 2014. The Camp Plan is an existential threat to federal tax exemption of conduit bonds (and to conduit borrowers that rely on the lower interest rate provided). The Camp Plan comes at a time when the Illinois Finance Authority (the "Authority") faces macroeconomic challenges of declining refundings in the municipal marketplace, a notable increase in taxable issuance of health care and education bonds, and having the economic value of tax-exemption to borrowers at historic lows. See., e.g., Chin, Tonya. *"With Sharp Decline in Refundings, New-Issue Supply Slid 12.5% in '13"*. The Bond Buyer. 23 Feb. 2014.

Fortunately, the Authority has long been active with two national organizations of issuers with a strong Capitol Hill presence: the Council of Development Finance Agencies ("CDFA"; focused on private "for profit" sector conduit bonds) and the National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA"; focused on 501(c)(3) not-for-profit conduit bonds). Going back to their public service with the Authority's predecessor agencies, *Pam Lenane* (*healthcare finance*) and *Rich Frampton* (*business, industry, non-profit, education finance*) have served in leadership roles in both CDFA and NAHEFFA. Rich is a long-time board member of CDFA and as a nationally recognized subject matter expert in private activity conduit finance teaches courses to public finance professionals through CDFA. Pam is completing her term as President of NAHEFFA and has long served in board and other leadership roles in that organization.

Through both NAHEFFA and CDFA, Authority staff understands that the informed view from Capitol Hill among members of both parties and in both the House and the Senate is that the Camp Tax Reform Plan is a non-starter.

Executive Director Meister informed the Committee that the Authority's primary tool to help small and mid-sized manufacturing is the federally tax-exempt conduit industrial revenue bond. In decades past, industrial revenue bonds have been an excellent incentive for industrial capital investment keeping the Illinois manufacturing ecosystem competitive in the global economy. However, Congress has not updated industrial revenue bonds since the late 1970's – and a lot has changed in the American economy since that time.

The Authority has seen first-hand the negative impact of an excellent job retention and creation tool that has become slowly outdated. In calendar year 2007, the Authority issued 27 conduit industrial revenue bonds with a total par value of just under $220 million. Between 2008 and 2013 (six calendar years), the Authority successfully closed a total of 21 conduit industrial revenue bonds equating to a total par value of just under $120 million. This decline in activity tracks national trends, but the decline cannot simply be attributed to the Great Recession and historically tight spreads between tax-exempt and taxable interest rates. We believe that it is the case of a tool that has failed to stay relevant to the needs of manufacturing borrowers and the capital markets.

Despite Washington gridlock, the Authority and CDFA have been steadily making the policy and fiscal case to Congress to update industrial revenue bonds. This is not only to preserve our remaining manufacturing infrastructure. Modernizing industrial revenue bonds will take advantage of the trend towards returning manufacturing assets to American shores ("reshoring") and encourage research and innovation among manufacturers here.

The result of this effort is the proposed American Manufacturing Bond Finance Act. A brief but detailed summary is attached to this letter and more information is available at www.cdfa.net.

Next, Executive Director Meister informed the Committee that on February 25, 2014, the Authority appeared before the Senate Appropriations I Committee led by Chair Heather Steans, Vice-Chair Dan Kotowski, and Minority Spokesperson Matt Murphy. Thanks in large part to the Board's leadership, the Authority was favorably received. However, the fact that the Authority receives no State taxpayer appropriation to support its operations in what is predicted to be a very difficult budget year probably didn't hurt either. As of this date, the House Appropriations Hearing for the Authority has not yet been scheduled nor has the Authority been informed of a release date for the Fiscal Year 2013 Auditor General Compliance Audit. The Fiscal Year 2013 Auditor General Financial Audit was released on January 29, 2014.

Then, Vice Chairman Goetz informed the Committee that he attended a press conference in connection with the Authority working with Governor Quinn and State sister agencies to provide below-market local government capital financing to storm and tornado-ravaged communities. Chairman Brandt and Vice Chairman Goetz engaged in a discussion expressing their dissatisfaction with the Federal Emergency Management Agency ("FEMA") for denying the State's request for federal assistance.

Member Leonard inquired as to how the Authority will provide below-market local government capital financing to these communities. Executive Director Meister explained that the Illinois Development Finance Authority ("IDFA"), predecessor to the Authority, entered into a Loan Agreement with the United States Department of Agriculture/Farmers Home Administration ("FmHA" or the "Department") on December 14, 1990 for the purposes of providing loans to third parties for certain purposes under the Illinois Intermediary Relending Program ("IIRP" or the "Program"). Subsequently, IDFA established the IIRP Work Plan outlining the criteria of the Program. In response to FEMA's denial, the Authority is making available approximately $2 million under the IIRP and approximately $2.5 million under the Local Government Pooled Bond Program.

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 February 11, 2014 or any errors in the Minutes of the regular meeting of the Board held on February 11, 2014.

Member Parish moved for the adoption of the Minutes of the regular meeting of the Committee held on February 11, 2014.

Member Fuentes seconded the motion.

The motion prevailed and the Minutes were adopted.

V. Presentation and Consideration of the Financial Statements

Mrs. Granda presented the following analysis of Financial Statements for the Month Ended February 28, 2014:

Revenue

Year-To-Date Highlights

Total Revenue for the fiscal year beginning July 1, 2013 is $2,713,830. This amount is $234,509 or 7.9% unfavorable to budget due to lower than expected administration and closing fees.

Monthly Highlights

Total Revenue for February 2014 was $206,338, which was negative to budget by $219,396 or 51.53%. Major revenue drivers for February 2014 included Administration & Application Fees (fees on bond closings), all of which were below budget due to lower transaction volume. The Authority closed two (2) transactions in addition to an administration fee in February 2014 which generated total Administration and Closing Fees of $67,369.

Expenses

Year-To-Date Highlights

Total Expenses for the fiscal year beginning July 1, 2013 are $2,420,011. This amount is $287,533 or 10.6% favorable to budget, reflecting lower than budgeted expenses across all expense categories.

Monthly Highlights

Total Expenses for February 2014 were $362,108 which was 6.9% or $23,665 above budget. The primary driver for February's expenses was the Financial Advisory line item under Professional Services due to payments of invoices from prior months.

Net Income

Year-To-Date Highlights

Net Income for the fiscal year beginning July 1, 2013 is $205,884 or $34,911 or 14.5% below budget. The primary driver for the decrease is lower transaction volume and a change in the fair market value of investments. In July 2013, a conservative budget was adopted with only $75,370 projected of Net Income.

Monthly Highlights

The Authority ended the month of February 2014 with a Net loss of $231,599 due to lower transaction volume and a change in the fair market value of the investments.

Chairman Brandt, Executive Director Meister and Mrs. Granda engaged in a discussion about the Authority's current and projected net income loss for the fiscal year.

A discussion ensued among the Committee and Executive Director Meister about the current lease arrangement for the Authority's Chicago office. Mrs. Granda informed the Committee that the current lease is approximately $280,000 per annum. Should the Authority move its operations through executing a lease with Central Management Services ("CMS") to occupy office space in a State-owned building, the estimated cost would be approximately $150,000. Executive Director Meister explained, however, that it may ultimately be cheaper to find office space in a privately-owned building dependent upon up-front build-out costs.

Chairman Brandt explained that staff at the Authority has been cut to the extent possible to achieve savings. The Authority needs to generate revenue.

Chairman Brandt, Member Bronner and Executive Director Meister discussed the cost associated with having a conference room suitable for a 15-member board.

Note:

Mrs. Granda further explained that in January 2014, the Authority started utilizing the contracted investment firms (Ziegler Lotsoff Capital Management, LLC and Clear Arc Capital Inc.) selected pursuant to the Authority's July 2013 procurement power. The Authority transferred $41.0 million (locally held funds) to the investment firms for managing. In January and February 2014, the Authority purchased short-term securities for a total of $34.9 million, consistent with the Authority's investment policy and statutory mandates.

Chairman Brandt and Executive Director Meister discussed an outstanding participation loan that is currently experiencing financial hardship, IMT Real Estate, LLC, which itself is about 33% of the Authority's total outstanding participation loan portfolio. Listed as Item No. 8 under Projects Reports and Resolutions this month, the item is being withdrawn as no action is required at the present time. Negotiations are ongoing.

VI. Committee Reports

None.

VII. Project Reports and Resolutions

Mr. Frampton presented the following projects:

Agriculture Projects

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

Braden L. Short is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **One Hundred Fifty-Two Thousand Dollars** ($152,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 85.5 acres of farmland located in Mayberry Township in Hamilton County.

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

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

Little City Foundation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Five Million Three Hundred Seventy Thousand Dollars** ($5,370,000). This financing is being presented for one-time consideration.

Bond proceeds, together with certain other funds, will be loaned to **Little City Foundation,** an Illinois not-for-profit corporation (the "**Borrower**"), to be used, together with certain other funds, to (i) current refund the outstanding principal amount of the Illinois Development Finance Authority Special Facility Revenue Bonds, Series 1994 (Little City Foundation Project) (the "**Series 1994 Bonds**"), (ii) pay or reimburse the Borrower for the payment of the costs of acquiring, constructing, renovating and equipping certain facilities of the Borrower, including but not limited to constructing and equipping a portion of the Children's Village Initiative Project, group homes that will be specifically designated for individuals with autism and located on the Borrower's main campus in Palatine, Illinois (the "**Project**"), and (iii) pay certain expenses incurred in connection with the issuance of the Bond and the refunding of the Series 1994 Bonds (and together with the Project, the "**Financing Purposes**").

Ms. O'Brien presented the following project:

Healthcare Projects

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

Centegra Health System is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **One Hundred Ninety Three Million Dollars** ($193,000,000) (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds, Series 2014A (Centegra Health System) (the "Series 2014 Bonds") (provided that if the Authority shall also authorize the issuance of another series of revenue bonds to benefit the Borrower or its affiliates in 2014 for purposes related to the Financing Purposes defined below, the combined principal amount of all such revenue bonds, including the Series 2014A Bonds, shall not exceed $193,000,000 in the aggregate.

The proceeds of the Series 2014 Bonds will be used by Centegra Health System, an Illinois not for profit corporation ("**Centegra**") to: (i) pay or reimburse Centegra and Northern Illinois Medical Center (d/b/a Centegra Hospital – McHenry) ("**NIMC**"), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock) ("**MMC**"), NIMED Corp. ("**NIMED**") and Centegra Hospital – Huntley ("**CHH**" and, collectively with NIMC, MMC and NIMED, the "**Users**"), each an Illinois not for profit corporation, for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Act), including, but not limited to, the construction and equipping of an approximately 384,000-square foot, 128-bed acute care hospital facility expected to be owned, operated and managed by CHH; (ii) provide working capital to Centegra or one or more of the Users, if deemed necessary or advisable by Centegra; (iii) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by Centegra; (iv) fund a debt service reserve fund, if deemed necessary or advisable by Centegra; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

Executive Director Meister presented the following resolutions:

Resolutions

Item 4: Item 4 is a Resolution Authorizing the Execution and Delivery of an Amended Intergovernmental Agreement and Ancillary Documents Among the Authority and Various State Agencies and Other Parties to Implement the Energy Efficiency Program; Authorizing Request for Proposals for a Bond Purchaser in Connection with the Energy Performance Contracting Pilot Program; Delegating Certain Powers to the Executive Director of the Authority; and Ratifying Certain Actions Relating Thereto.

Chairman Brandt and Executive Director Meister engaged in a discussion about the value of using the services of the Authority and the Energy Service Companies (“ESCOs”) previously selected by the Authority to effect cost savings and quickly implement energy conservation projects throughout the State.

Executive Director Meister informed the Committee that the potential debt incurred for these projects will be approximately $7 million. Energy savings will service the debt.

Member Bronner inquired if the selection of Ameresco, Inc. by CMS was a result of the Authority’s prior procurement of ESCOs. Executive Director Meister confirmed Ameresco, Inc. was chosen from the pool of seven ESCOs the Authority qualified, and executed contracts with.

Vice Chairman Goetz inquired if the Energy Efficiency Program would be expanded to hospitals throughout the State. Executive Director Meister informed the Committee that the economics were not feasible.

Member Fuentes, a Trustee at Museum of Science and Industry, engaged in a discussion with the Committee about examining any potential benefit the Authority’s Energy Efficiency Program may provide to the Museum. The Committee agreed that the idea is worth exploring.

Item 5: Item 5 is a Resolution Authorizing the Authority to Renegotiate the Terms and Conditions of the Illinois Intermediary Relending Program Work Plan with the United States Department of Agriculture; Deploy the Program to Units of Local Governments Affected by Natural Disasters; and Allocate Monies from the General Fund of the Authority to Match the Funds Available through the Program.

Item 6: Item 6 is a Resolution Granting Executive Director Authorization to Act on Behalf of Authority to Negotiate and Execute an Intergovernmental Agreement with the Office of the State Fire Marshal for the Fire Truck Revolving Loan Program and Related OSFM Programs.

Executive Director Meister provided context for the required action by the Members of the Board. Legislation adopted heretofore requires the execution of an intergovernmental agreement so that funds can be held by the Authority, among other matters.

Chairman Brandt and Executive Director Meister discussed the need for a Member of the Authority to serve on the Office of the State Fire Marshal's Review Committee to evaluate applications and determine ranking in a blind review – before being forwarded to the Authority for financial due diligence. The Committee engaged in a discussion about potential Members willing to serve; however, a decision was not made. Executive Director Meister is awaiting biographies of those persons who currently serve on the Review Committee.

Ms. Omar presented the following resolution:

Item 7: Item 7 is a Resolution Authorizing the Authority to Enter into an Intergovernmental Agreement with the Department of Transportation of the State of Illinois, and Concerning Related Matters.

Chairman Brandt inquired if the Authority will be procuring the rating agencies in connection with this matter. Executive Director Meister confirmed that was correct.

Item 8: Withdrawn.

Vice Chairman Goetz presented the following resolution:

Item 9: Item 9 is a Resolution Expanding the Healthcare Committee of the Authority to Include Education and Creating the Healthcare and Education Committee of the Authority.

Vice Chairman Goetz reported that the Healthcare Committee recommended approval of Item 9.

Executive Director Meister presented the following resolution:

Item 10: Item 10 is a Resolution Authorizing the Executive Director to Renew the Existing Financial Advisor Contracts with Acacia Financial Group, Inc. and Public Financial Management, Inc. and to initiate a Procurement of Additional Financial Advisory Firms in Light of the Authority's Express Policy to Use Businesses Owned by Minorities, Women, Persons with Disabilities and Small Businesses.

Chairman Brandt reminded the Executive Director that the minority basis for the financial advisory firms needs to be widened and an Agricultural Banker/Rural Development Finance Specialist needs to be hired. This was discussed in December 2013.

Vice Chairman Goetz inquired as to the applications received for the Agricultural Bank/Rural Development Finance Specialist position. Ms. Omar explained that four applications have been received from the Career Center at the University of Illinois. Ms. Omar has not reviewed the applications yet. Vice Chairman Goetz and Member Bronner recommended expanding the pool of universities being provided information about the job opening.

Ms. Omar presented the following resolution:

Item 11: Item 11 is a Resolution Authorizing the Executive Director of the Authority to Explore Office Lease Opportunities for the Authority.

Austin Baidas, Deputy Director of CMS Bureau of Property Management, explained that CMS is currently analyzing the possibility of the Authority moving into the Michael A. Bilandic Building upon relocation of a current tenant, given the Authority's current lease expiration. Furthermore, Deputy Director Baidas informed the Committee that other State-owned sites have minimal space due to consolidation efforts. The Authority's likely only option at the present time is to try to move into the Michael A. Bilandic Building. Deputy Director Baidas committed to providing Executive Director Meister with a response by next week as to whether or not The Michael A. Bilandic Building will be feasible given that a series of relocations must occur first.

Member Leonard inquired if the office space that may be available in The Michael A. Bilandic Building will be equivalent to the office space the Authority currently occupies. Executive Director Meister reminded the Committee that the Authority requires much less space because of dramatic staffing cuts made over the years; in addition, The Michael A. Bilandic Building can offer shared conference space that will reduce costs.

Ms. Omar informed the Committee that the Authority's current lease expires August 31, 2014.

David Miller, Executive Vice President of Jones Lang LaSalle, Inc., informed the Committee of market alternatives and presented various options to the Committee that they may eventually explore in the central and eastern loop. More specifically, Mr. Miller discussed the value of staying at Two Prudential Plaza or moving into the Crain Communications Building, among others. Chairman Brandt and Member Bronner engaged in a discussion with Mr. Miller about the requirements of office space for the Authority and the costs of build-out should the Authority relocate.

Member Tessler offered expertise from his real estate background as lease discussions ensue.

Executive Director Meister reminded the Committee that any lease entered into with a private landlord will have to be approved by the Illinois Procurement Policy Board.

Chairman Brandt and the Members of the Committee agreed that Member Tessler can provide valuable expertise going forward on these matters.

Executive Director Meister presented the following resolution:

Item 12: Item 12 is a Resolution Authorizing the Chairman of the Authority to Select Co-Chairs and Members of the Strategic Planning Committee of the Authority.

VIII. Other Business

Ms. Lenane, Acting General Counsel, informed the Committee that on March 17, 2014, the Secretary of State Index Division will mail Statement of Economic Interest forms to the home addresses of Authority Members and employees.

IX. Public Comment

None.

X. Adjournment

At the time of 10:32 a.m., Member Bronner moved that the Committee do now adjourn until April 8, 2014, at 9:30 a.m.

Member Zeller seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

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

BOARD MINUTES

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, MARCH 11, 2014
10:42 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the "Board"), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of March 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: 10 Present.

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

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

March 11, 2014

0 YEAS		0 NAYS		10 PRESENT	
P	Bronner	P	Leonard	P	Poole
P	Fuentes	P	Lonstein	P	Tessler
P	Goetz	E	O'Brien	E	Vaught
E	Gold	P	Parish	P	Zeller
E	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 informed Members of the Board that Loyola University Chicago Stritch School of Medicine has received nine applications from qualified persons with Deferred Action for Childhood Arrivals ("DACA") immigration status or who are DACA-eligible.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on March 11, 2014, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on February 11, 2014 were taken up for consideration.

Member Parish moved for the adoption of the Minutes.

Vice Chairman Goetz seconded the motion.

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

The motion prevailed and the Minutes were adopted.

IV. Acceptance of the Financial Statements

Financial Statements for the Month Ended February 28, 2014 were taken up for consideration.

Vice Chairman Goetz moved for the adoption of the Financial Statements.

Member Fuentes seconded the motion.

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

The motion prevailed and the Financial Statements were adopted.

V. Approval of Project Reports and Resolutions

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

Mr. Frampton presented the following project:

Agriculture Projects

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

Braden L. Short is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **One Hundred Fifty-Two Thousand Dollars** ($152,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 85.5 acres of farmland located in Mayberry Township in Hamilton County.

Vice Chairman Goetz moved for the adoption of the following project: Item 1(A).

Member Fuentes seconded the motion.

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

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

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

Mr. Frampton presented the following project and resolutions:

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

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

Little City Foundation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Five Million Three Hundred Seventy Thousand Dollars** ($5,370,000). This financing is being presented for one-time consideration.

Bond proceeds, together with certain other funds, will be loaned to **Little City Foundation,** an Illinois not-for-profit corporation (the "**Borrower**"), to be used, together with certain other funds, to (i) current refund the outstanding principal amount of the Illinois Development Finance Authority Special Facility Revenue Bonds, Series 1994 (Little City Foundation Project) (the "**Series 1994 Bonds**"), (ii) pay or reimburse the Borrower for the payment of the costs of acquiring, constructing, renovating and equipping certain facilities of the Borrower, including but not limited to constructing and equipping a portion of the Children's Village Initiative Project, group homes that will be specifically designated for individuals with autism and located on the Borrower's main campus in Palatine, Illinois (the "**Project**"), and (iii) pay certain expenses incurred in connection with the issuance of the Bond and the refunding of the Series 1994 Bonds (and together with the Project, the "**Financing Purposes**").

Mr. Frampton informed the Board that this financing is currently scheduled to close by the end of next week.

Resolutions

Item 4: Item 4 is a Resolution Authorizing the Execution and Delivery of an Amended Intergovernmental Agreement and Ancillary Documents Among the Authority and Various State Agencies and Other Parties to Implement the Energy Efficiency Program; Authorizing Request for Proposals for a Bond Purchaser in Connection with the Energy Performance Contracting Pilot Program; Delegating Certain Powers to the Executive Director of the Authority; and Ratifying Certain Actions Relating Thereto.

Item 5: Item 5 is a Resolution Authorizing the Authority to Renegotiate the Terms and Conditions of the Illinois Intermediary Relending Program Work Plan with the United States Department of Agriculture; Deploy the Program to Units of Local Governments Affected by Natural Disasters; and Allocate Monies from the General Fund of the Authority to Match the Funds Available through the Program.

Item 6: Item 6 is a Resolution Granting Executive Director Authorization to Act on Behalf of Authority to Negotiate and Execute an Intergovernmental Agreement with the Office of the State Fire Marshal for the Fire Truck Revolving Loan Program and Related OSFM Programs.

Item 7: Item 7 is a Resolution Authorizing the Authority to Enter into an Intergovernmental Agreement with the Department of Transportation of the State of Illinois, and Concerning Related Matters.

Item 8: Withdrawn.

Item 9: Item 9 is a Resolution Expanding the Healthcare Committee of the Authority to Include Education and Creating the Healthcare and Education Committee of the Authority.

Item 10: Item 10 is a Resolution Authorizing the Executive Director to Renew the Existing Financial Advisor Contracts with Acacia Financial Group, Inc. and Public Financial Management, Inc. and to Initiate a Procurement of Additional Financial Advisory Firms in Light of the Authority's Express Policy to Use Businesses Owned by Minorities, Women, Persons with Disabilities and Small Businesses.

Item 11: Item 11 is a Resolution Authorizing the Executive Director of the Authority to Explore Office Lease Opportunities for the Authority.

Item 12: Item 12 is a Resolution Authorizing the Chairman of the Authority to Select Co-Chairs and Members of the Strategic Planning Committee of the Authority.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following project and resolutions: Items 2, 4, 5, 6, 7, 9, 10, 11 and 12.

Leave was granted.

This project and these resolutions, having received the votes of a quorum of the Members of the Board, were declared passed and adopted, respectively.

Chairman Brandt directed Mr. Frampton to present the project which may require an abstention to the Board.

Mr. Frampton presented the following project:

Healthcare Projects

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

Centegra Health System is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **One Hundred Ninety Three Million Dollars** ($193,000,000) (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds, Series 2014A (Centegra Health System) (the "Series 2014 Bonds") (provided that if the Authority shall also authorize the issuance of another series of revenue bonds to benefit the Borrower or its affiliates in 2014 for purposes related to the Financing Purposes defined below, the combined principal amount of all such revenue bonds, including the Series 2014A Bonds, shall not exceed $193,000,000 in the aggregate.

The proceeds of the Series 2014 Bonds will be used by Centegra Health System, an Illinois not for profit corporation ("**Centegra**") to: (i) pay or reimburse Centegra and

Northern Illinois Medical Center (d/b/a Centegra Hospital – McHenry) ("**NIMC**"), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock) ("**MMC**"), NIMED Corp. ("**NIMED**") and Centegra Hospital – Huntley ("**CHH**" and, collectively with NIMC, MMC and NIMED, the "**Users**"), each an Illinois not for profit corporation, for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Act), including, but not limited to, the construction and equipping of an approximately 384,000-square foot, 128-bed acute care hospital facility expected to be owned, operated and managed by CHH; (ii) provide working capital to Centegra or one or more of the Users, if deemed necessary or advisable by Centegra; (iii) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by Centegra; (iv) fund a debt service reserve fund, if deemed necessary or advisable by Centegra; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

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

Member Fuentes seconded the motion.

And on that motion, a vote was taken resulting as follows: 9 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 regular meeting of the Board in March will be held on April 8, 2014.

At the time of 10:54 a.m., Member Bronner moved that the Board do now adjourn until April 8, 2014, at 10:30 a.m.

Vice Chairman Goetz seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

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Financial Analysis

March 31, 2014

V. PRESENTATION AND CONSIDERATION OF THE MONTHLY FINANCIAL STATEMENTS (UNAUDITED)

To: Members of the Authority
From: Melinda M. Gildart, CPA, Chief Financial Officer
Re: Presentation of the Monthly Financial Statements (Unaudited)

The following presentation of the monthly financial statements is consistent with past practice. However, in consultation with the Chair of the Audit Committee, revisions to the presentation of the monthly financial statements will be effective as of May 2014.

1. REVENUES

Year-To-Date Highlights

Total Revenue for the fiscal year beginning July 1, 2013 is $2,907,065. This amount is $467,008 or 13.8% unfavorable to budget due to lower than expected administration and closing fees.

Monthly Highlights

Total Revenue for March 2014 was $193,236, which was negative to budget by $232,498 or 54.6%. Major revenue drivers for March 2014 included Administration & Application Fees (fees on bond closings), all of which were below budget due to lower transaction volume. The Authority closed seven (7) transactions in addition to an administration fee in March 2014 which generated total Administration and Closing Fees of $51,052.

2. EXPENSES

Year-To-Date Highlights

Total Expenses for the fiscal year beginning July 1, 2013 are $2,714,160. This amount is $331,827 or 11.0% favorable to budget, reflecting lower than budgeted expenses across all expense categories.

Monthly Highlights

Total Expenses for March 2014 were $294,149 which was 13.1% or $44,294 below budget. The primary drivers for March's expenses were Professional Services and Employee related expenses due to lower than budgeted expenses.

3. NET INCOME

Year-To-Date Highlights

Net Income for the fiscal year beginning July 1, 2013 is $19,707 or $308,380 or 93.9% below budget. The primary drivers for the decrease are due to lower transaction volume and due to a change in the fair market value of investments. In July 2013 a conservative budget was adopted with only $75,370 projected of Net Income.

Monthly Highlights

The Authority ended the month of March 2014 with a Net loss of $186,177 due to lower transaction volume and due to change in the fair market value of the investments.

Note:
In January 2014 the Authority began utilizing the contracted investment firms (Ziegler Lotsoff Capital Management, LLC and Clear Arc Capital Inc.) selected pursuant to the Authority's July 2013 procurement power. In total, The Authority has transferred $41.0 million (locally held funds) to the investment firms for managing. Since then the Authority purchased short-term securities for a total of $39.3 million, consistent with the Authority's investment policy and statutory mandates. ***Under the Clean Water Initiative one of these firms will manage the Equity fund per the Intergovernmental Agreement with the Illinois Environmental Protection Agency ("IEPA").***

ILLINOIS FINANCE AUTHORITY
STATEMENT OF ACTIVITIES
for Period Ending
March 31, 2014

	CURRENT MONTH					YEAR TO DATE				
	Actual	Variance to Budget		Variance to Prior Year		Actual	Variance to Budget		Variance to Prior Year	
	$	$	%	$	%	$	$	%	$	%
REVENUE										
INTEREST ON LOANS	3,830	(9,599)	-71.48%	(11,518)	-75.05%	92,381	(28,480)	-23.56%	(75,494)	-44.97%
INVESTMENT INTEREST & GAIN(LOSS)	49,137	32,470	194.82%	45,853	1396.25%	130,615	(19,388)	-12.93%	92,675	244.27%
ADMINISTRATIONS & APPLICATION FEES	51,052	(333,157)	-86.71%	(201,964)	-79.82%	2,165,435	(834,913)	-27.83%	(966,524)	-30.86%
ANNUAL ISSUANCE & LOAN FEES	45,764	39,635	646.68%	14,897	48.26%	344,038	288,877	523.70%	79,098	29.86%
OTHER INCOME	43,453	38,153	719.87%	29,770	217.57%	174,596	126,896	266.03%	(231,314)	-56.99%
TOTAL REVENUE	193,236	(232,498)	-54.61%	(122,962)	-38.89%	2,907,065	(467,008)	-13.84%	(1,101,559)	-27.48%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	132,836	(9,745)	-6.83%	(7,515)	-5.35%	1,161,471	(121,758)	-9.49%	77,223	7.12%
BENEFITS	17,486	(5,225)	-23.01%	(4,300)	-19.74%	149,010	(55,389)	-27.10%	(41,574)	-21.81%
EDUCATION & DEVELOPMENT	-	(500)	-100.00%	-	0.00%	10,972	6,472	143.82%	10,377	1744.03%
TRAVEL & AUTO	6,320	1,737	37.90%	3,517	125.47%	28,468	(12,779)	-30.98%	(3,708)	-11.52%
TOTAL EMPLOYEE RELATED EXPENSES	156,642	(13,733)	-8.06%	100	0.07%	1,349,921	(183,454)	-13.86%	42,318	3.24%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	27,134	(14,533)	-34.88%	(10,739)	-28.36%	302,599	(72,404)	-19.31%	(126,693)	-29.51%
LOAN EXPENSE & BANK FEE	6,712	(1,622)	-19.46%	(535)	-7.38%	80,146	5,140	6.85%	8,701	12.18%
ACCOUNTING & AUDITING	22,146	(3,688)	-14.28%	(2,760)	-11.08%	193,248	(39,258)	-16.88%	(50,385)	-20.68%
MARKETING GENERAL	188	(645)	-77.43%	188	#DIV/0!	2,440	(5,057)	-67.45%	(17)	-0.69%
FINANCIAL ADVISORY	10,791	2,458	29.50%	2,458	29.50%	134,105	59,108	78.81%	23,164	20.88%
CONFERENCE/TRAINING	2,725	642	30.82%	881	47.78%	9,015	(9,732)	-51.91%	(3,584)	-28.45%
MISCELLANEOUS PROFESSIONAL SERVICES	1,523	(5,144)	-77.16%	(4,727)	-75.63%	79,986	19,983	33.30%	(4,935)	-5.81%
DATA PROCESSING	9,101	(5,066)	-35.76%	3,057	50.58%	53,866	(73,637)	-57.75%	11,975	28.59%
TOTAL PROFESSIONAL SERVICES	80,320	(27,598)	-25.57%	(12,177)	-13.16%	855,405	(115,857)	-11.93%	(141,774)	-14.22%
OCCUPANCY COSTS										
OFFICE RENT	21,577	(90)	-0.42%	(55)	-0.25%	185,518	(9,485)	-4.86%	3,123	1.71%
EQUIPMENT RENTAL AND PURCHASES	1,456	206	16.48%	64	4.60%	13,262	2,012	17.88%	2,494	23.16%
TELECOMMUNICATIONS	2,753	(164)	-5.62%	146	5.60%	24,678	(1,575)	-6.00%	(533)	-2.11%
UTILITIES	494	(506)	-50.60%	(486)	-49.59%	6,421	(2,579)	-28.66%	(2,058)	-24.27%
DEPRECIATION	3,428	(364)	-9.60%	(635)	-15.63%	33,758	(370)	-1.08%	(2,505)	-6.91%
INSURANCE	501	(1,582)	-75.95%	(3)	-0.60%	4,541	(14,206)	-75.78%	(10,134)	-69.06%
TOTAL OCCUPANCY COSTS	30,209	(2,500)	-7.64%	(969)	-3.11%	268,178	(26,203)	-8.90%	(9,613)	-3.46%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,417	(566)	-18.97%	(622)	-20.47%	21,960	(4,887)	-18.20%	(7,863)	-26.37%
BOARD MEETING - EXPENSES	2,444	(56)	-2.24%	116	4.98%	17,581	(4,919)	-21.86%	(4,084)	-18.85%
PRINTING	690	23	3.45%	(989)	-58.90%	4,059	(1,944)	-32.38%	(1,962)	-32.59%
POSTAGE & FREIGHT	857	(393)	-31.44%	(363)	-29.75%	7,566	(3,684)	-32.75%	(4,356)	-36.54%
MEMBERSHIP, DUES & CONTRIBUTIONS	625	(1,875)	-75.00%	310	98.41%	13,413	(9,087)	-40.39%	(10,584)	-44.11%
PUBLICATIONS	120	(88)	-42.31%	89	287.10%	701	(1,171)	-62.55%	(56)	-7.40%
OFFICERS & DIRECTORS INSURANCE	19,825	2,492	14.38%	1,856	10.33%	175,375	19,378	12.42%	25,318	16.87%
TOTAL GENERAL & ADMINISTRATION EXPENSES	26,978	(463)	-1.69%	397	1.49%	240,655	(6,314)	-2.56%	(3,587)	-1.47%
LOAN LOSS PROVISION/BAD DEBT	-	-	0.00%	-	0.00%	-	-	0.00%	-	0.00%
OTHER	-	-	-							
TOTAL EXPENSES	294,149	(44,294)	-13.09%	(21,047)	-6.68%	2,714,159	(331,828)	-10.89%	(112,656)	-3.99%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(100,913)	(188,204)	-215.61%	(101,915)	-10171.16%	192,906	(135,180)	-41.20%	(988,903)	-83.68%
NET UNREALIZED/GAIN/(LOSS) ON INVESTMENT	(85,264)	-	0.00%	(85,264)	0.00%	(173,199)	(173,199)	0.00%	(173,199)	0.00%
TRANSFERS	-	-	0.00%	-	#DIV/0!	-	-	0.00%	(386,774)	-100.00%
NET INCOME/(LOSS)	(186,177)	(273,468)	-313.28%	(187,179)	-18680.54%	19,707	(308,379)	-93.99%	(1,548,876)	-98.74%

ILLINOIS FINANCE AUTHORITY
General Fund
Balance Sheet [Unaudited]
For the Month Ended March 31, 2014

	March 2014	March 2013
ASSETS		
CASH UNRESTRICTED	$ 8,128,305	$ 44,430,689
INVESTMENTS, UNRESTRICTED	39,267,812	-
RECEIVABLES, NET	153,871	57,097
LOAN RECEIVABLE, NET	1,642,497	4,988,979
OTHER RECEIVABLES	563,567	27,241
PREPAID EXPENSES	111,847	98,213
TOTAL CURRENT ASSETS	49,867,901	49,602,219
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	114,916	122,070
DEFERRED ISSUANCE COSTS	181,902	214,310
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	3	875,523
OTHER	-	-
TOTAL OTHER ASSETS	3	875,523
TOTAL ASSETS	$ 50,164,722	$ 50,814,122
LIABILITIES		
CURRENT LIABILITIES	$ 566,949	$ 1,250,802
LONG-TERM LIABILITIES	266,397	271,141
TOTAL LIABILITIES	833,346	1,521,943
EQUITY		
CONTRIBUTED CAPITAL	4,111,479	4,111,479
RETAINED EARNINGS	33,228,893	31,640,819
NET INCOME / (LOSS)	19,707	1,568,583
RESERVED/RESTRICTED FUND BALANCE	1,732,164	1,732,164
UNRESERVED FUND BALANCE	10,239,134	10,239,134
TOTAL EQUITY	49,331,376	49,292,179
TOTAL LIABILITIES & EQUITY	$ 50,164,722	$ 50,814,122
	(0)	0

Note:

The preceding presentation of the monthly financial statements is consistent with past practice. However, in consultation with the Chair of the Audit Committee, revisions to the presentation of the monthly financial statements will be effective as of May 2014.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher

Date: April 8, 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: $418,750**
- **Calendar Year Summary:** (as of April 8, 2014)
  - Volume Cap: $12,000,000
  - Volume Cap Committed: $1,373,094
  - Volume Cap Remaining: $10,626,906
  - Average Farm Acreage: 42
  - Number of Farms Financed: 7
- **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-8675**
Borrower(s):	**Myers, Mitchell R.**
Borrower Benefit:	First Time Land Buyer
Town:	Altamont, IL
IFA Bond Amount:	**$261,250**
Use of Funds:	Farmland – 40 acres of farmland
Purchase Price:	$275,000 / ($6,875 per ac)
%Borrower Equity	5%
% Other	0%
%IFA	95%
Township:	Jackson
Counties/Regions:	Effingham / Southeastern
Lender/Bond Purchaser	First Mid-Illinois Bank & Trust / Doug Kopplin
Legislative Districts:	Congressional: 15 State Senate: 54 State House: 107

Principal shall be paid annually in installments determined pursuant to a thirty (30) year amortization schedule, with the first principal payment date to begin on March 15, 2015. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 15, 2015 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B. Project Number:	**A-FB-TE-CD-8676**
Borrower(s):	**Withrow, Landon**
Borrower Benefit:	First Time Land Buyer
Town:	Keenes, IL
IFA Bond Amount:	**$157,500**
Use of Funds:	Farmland – 113 acres of farmland
Purchase Price:	$315,000 / ($2,787 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	Hickory Hill
Counties/Regions:	Wayne / Southern
Lender/Bond Purchaser	Peoples National Bank / Matthew Moore
Legislative Districts	Congressional: 15 State Senate: 55 State House: 109

Principal shall be paid annually in installments determined pursuant to a thirty (30) year amortization schedule calculated at the initial interest rate, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

CONDUIT

$20,000,000 (not-to-exceed amount)
Ridge Housing Partners, LLC and its affiliates, successors and assigns
(915 West Wilson Supportive Living Facility Project)

April 8, 2014

REQUEST	**Purpose**: Bond proceeds will assist **Ridge Housing Partners, LLC and its affiliates, successors and assigns** ("**Ridge**", the **"Developer",** the "**Borrower**", or the "**Applicant**") in providing the Borrower with all or a portion of the funds for the purpose of (i) financing, refinancing or reimbursing the Borrower for the acquisition, rehabilitation, and equipping of an existing residential building located at 915 West Wilson Avenue, Chicago, Illinois for use as a supportive living facility, (ii) paying capitalized interest, (iii) capitalizing various reserve funds, and (iv) paying all or a portion of the costs of issuance for the Bonds (collectively, the "**Project**"). **Program**: Conduit Affordable Rental Housing Revenue Bonds (Tax-Exempt) **Volume Cap Required:** This Project is expected to require approximately $20.0 million of Volume Cap. IFA will use available prior year Carryforward Volume Cap designated for Affordable Rental Housing as necessary to finance the Project. This Project is located in the City of Chicago, a Home Rule municipality. **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None. This is the first time this Project has been considered by the IFA Board of Directors.
JOB DATA	0 Current jobs — 46 New jobs projected N/A Retained jobs — 100 Construction jobs projected (12-18 months)
DESCRIPTION	● Project Location: 915 West Wilson Avenue, Chicago (Cook County), Illinois ● Type of entity: Ridge Housing Partners, LLC is a single purpose legal entity created to develop and own this Project by its founding Members (i.e., effectively General Partners for the Project). An Investment Membership (i.e., Limited Partnership) interest in the Project is expected to be held by an affiliate of 42 Equity Partners, LLC (New York, NY), the proposed tax credit investor in the Project. The Illinois Department of Healthcare and Family Services approved an application by Ridge Housing Partners, LLC to develop this supportive living facility (and proceed toward certification) as proposed herein. ● Ridge Housing Partners, LLC will engage Royal Care, Inc. (Kildeer, IL) to manage the 915 West Wilson SLF. Royal Care, Inc. is a property management company with specialized expertise in managing pre-opening, leasing, hiring personnel, and undertaking day-to-day management of Supportive Living Facilities and other senior living properties in Illinois.
CREDIT INDICATORS	● The plan of finance contemplates the IFA Affordable Rental Housing Revenue Bonds (915 West Wilson Supportive Living Project), Series 2014 to be purchased directly by **Heartland Bank & Trust Company** (the "**Bond Purchaser**"). (Commercial banks are considered a Qualified Institutional Buyer, consistent with IFA Bond Program Handbook requirements.) ● The Borrower is a non-rated entity.
SECURITY	● The Bonds will be secured by a First Mortgage on the subject property and a collateral assignment of Rents and Leases, as well as a lien on and a perfected security interest in all of the contracts, agreements, commitments (including an assignment of the Supportive Living Facility Agreement), licenses, permits and approvals issued to the Applicant pertaining to the Project.
MATURITY	● For resolution parameter purposes, the Bonds will mature in no later than 40 years. It is anticipated that payments will be interest-only during construction and lease-up until the property attains stabilized occupancy. The final maturity date will ultimately be determined through negotiation with the Bond Purchaser.
INTEREST RATE	● It is anticipated that the Bonds will bear a fixed interest rate for the first 17 years, with a provision to extend and reset the interest rate periodically thereafter until the final maturity date. ● Interest rates will be negotiated and established prior to closing and reflect general market conditions based on the underlying structure. Current interest rates are estimated to range between 5.75% and 6.75%, depending on maturity.

SOURCES AND USES

Sources:		**Uses:**	
IFA Bonds	$19,500,000	Land/Building Acquisition	$7,000,000
Illinois Energy Efficient Grant (DCEO)	250,000	Rehabilitation/Construction,	12,175,000
4% LIHTCs	6,563,000	Architectural, Engineering & Pre-Development	450,000
10% Historic Tax Credits	2,289,000	Administrative & Legal	858,500
Equity	100,000	Capitalized Interest	1,802,000
Deferred Developer Fee	687,000	Reserves/Other Costs (see p. 3 for detail)	6,673,500
		Costs of Issuance	430,000
Total	**$29,389,000**	**Total**	**$29,389,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 8, 2014

Project: Ridge Housing Partners, LLC and its affiliates, successors and assigns (915 West Wilson Supportive Living Facility Project)

STATISTICS

Project Number:	M-MH-TE-CD-8668	Amount:	$20,000,000 (not-to-exceed amount)
Type:	Affordable Rental Housing Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	Counties/ Regions:	Cook County/Northeast

BOARD ACTION

Preliminary Bond Resolution	
Affordable Rental Housing Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will assist **Ridge Housing Partners, LLC and its affiliates, successors and assigns** ("**Ridge**", the **"Developer",** or the "**Borrower**") in providing the Borrower with all or a portion of the funds for the purpose of (i) financing, refinancing or reimbursing the Borrower for the acquisition, rehabilitation, and equipping of an existing building located at 915 West Wilson Avenue, Chicago, Illinois for use as a supportive living facility, (ii) paying capitalized interest, (iii) capitalizing various operating reserves, and (iv) paying all or a portion of the costs of issuance for the Bonds (collectively, the "**Project**").

IFA PROGRAM AND CONTRIBUTION

Affordable Rental Housing Revenue Bonds are a form of municipal bond financing that facilitates construction of rental housing projects in which a specified proportion of the units will be rented to moderate- and low-income households, and, in some cases, properties are developed specifically for elderly residents. 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.

Additionally, because it is anticipated that over 50% of the Project's qualified basis will be financed with the proposed IFA tax-exempt bond issue, this Project will automatically become eligible for 4% **Low Income Housing Tax Credits** ("**LIHTCs**") which are expected to generate approximately $6.56 million of cash equity for the Project.

VOLUME CAP

This Project is expected to require up to $20.0 million of Volume Cap. IFA will use available prior year Carryforward Volume Cap designated for Affordable Rental Housing as necessary to finance the Project. This Project is located in the City of Chicago, a Home Rule municipality.

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:		**Uses:**	
IFA Bonds	$19,500,000	Land/Building Acquisition	$7,000,000
Illinois Energy Efficient Grant*	250,000	Rehabilitation/Construction	12,175,000
4% LIHTCs	6,563,000	Architectural, Engineering & Pre-Development	450,000
10% Historic Tax Credits**	2,289,000	Administrative & Legal	858,500
Equity	99,500	Capitalized Interest	1,802,000
Deferred Developer Fee****	687,500	Operating, Lease-up, and Debt Service Reserves	1,925,000
		Medicaid Delay Reserve	1,300,000
		Initial Tax & Insurance Escrows	141,000
		Developer Fee***	2,500,000
		Tenant Relocation Costs	100,500
		Tax Credit Fee/Costs	707,000
		Costs of Issuance	430,000
Total	**$29,389,000**	**Total**	**$29,389,000**

*Note: The Borrower has submitted an application for a $250,000 grant from the **Illinois Department of Commerce and Economic Opportunity** ("**DCEO**") under the Energy Efficiency Affordable Housing Construction Program.

The Borrower anticipates this Project will qualify for 10% **Federal Historic Rehabilitation Tax Credits ("**Historic Tax Credits**") because (i) the building was placed in service before 1936, (ii) at least 75% of the existing external walls will be preserved as either external or internal walls, and (iii) at least 75% of the internal structural framework will be preserved. The Developer anticipates these Historic Tax Credits will generate approximately $2.29 million of cash equity for the Project.

***Approximately $1,812,500 of the $2,500,000 Developer Fee will be paid initially subject to an Agreement to be negotiated between the Developer and the Tax Credit Investor(s) and within the guidelines promulgated by the **Illinois Housing Development Authority** ("**IHDA**"). Payment of Developer Fees will be contingent on attaining pre-determined benchmarks regarding (i) successful construction completion according to scheduling benchmarks and delivery of the certificate of occupancy, (ii) satisfying minimum threshold lease-up and occupancy schedules, and (iii) attaining minimum 1.40x debt service coverage for a minimum of 3 consecutive months. Because the underlying Development Agreement has not been finalized, these performance benchmarks will be updated to reflect negotiated terms in the final Agreement between the Developer and the Tax Credit Investors when this project is presented to the IFA Board for consideration of a Final Bond Resolution (as typical on prior affordable rental housing projects with LIHTCs).

**** The remainder of the Developer Fee (i.e., $687,000, as reflected in the Deferred Developer's Fee reported above under Sources of Funds) will be paid from residual project cash flows over time as permitted by the Internal Revenue Service. Because the owner of a Low Income Housing Tax Credit property is prohibited from selling the property during the 15-year LIHTC compliance period under U.S. Department of the Treasury guidelines, the IRS allows Developer Fees up to a maximum of 15% of the Project's "basis" (i.e., construction cost plus certain other soft costs and pre-development costs specified under IRS guidelines) to be allocated for Developer Fees to induce development and operation of successful projects. Accordingly, Developer Fees represent an IRS-sanctioned performance-based success fee on LIHTC projects that provide the Developer with upside given the LIHTC-related prohibition on sale of the property during the 15-year LIHTC compliance period (following initial project occupancy).

JOBS

Current employment:	0	Projected new jobs:	46
Jobs retained:	N/A	Construction jobs:	100 (12-18 months)

FINANCING SUMMARY

Structure/
Security: The plan of finance contemplates the Series 2014 Bonds will be purchased directly by **Heartland Bank and Trust Company** (the "**Bond Purchaser**"), and held as an investment.

The Bond Purchaser will be secured by a First Mortgage on the subject property and a collateral assignment of Tenant Rents and Leases, as well as a lien on and a perfected security interest in all of the contracts, agreements, commitments (including the SLF Agreement), licenses, permits and approvals issued to the Applicant pertaining to the Project.

Interest Rate: Interest rates will be determined based on the final structure and reflect prevailing market conditions at closing.

Maturity: 2054 (i.e., not-to-exceed parameter of 40 years)

Estimated
Closing Date: July or August, 2014

Rationale: The use of tax-exempt bonds to finance a minimum of 50% of the Project's eligible basis (as described on p. 3 in connection with the discussion of the Deferred Developer's Fee) will automatically qualify the Project for 4% Low Income Housing Tax Credits that will generate an estimated $6.56 million of cash equity for the Project (i.e., sufficient to cover approximately 22% of the estimated $29.389 million Project development cost). Accordingly, the issuance of tax-exempt bonds will help generate Project equity that will facilitate development of this 150-unit supportive Living Facility in Chicago approved by the **Illinois Department of Healthcare and Family Services** ("**DHFS**"). (See p. 6 for information on Illinois' Supportive Living Facility Program.)

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will assist **Ridge Housing Partners, LLC and its affiliates, successors and assigns** ("**Ridge**", the **"Developer",** or the "**Borrower**") in providing the Borrower with all or a portion of the funds for the purpose of (i) financing, refinancing or reimbursing the Borrower for the acquisition, rehabilitation, and equipping of an existing residential building located at 915 West Wilson Avenue, Chicago, Illinois for use as a supportive living facility, (ii) paying capitalized interest, (iii) capitalizing various reserve funds, if deemed necessary or advisable by the Borrower, and (iv) paying all or a portion of the costs of issuance for the Bonds, including but not limited to credit enhancement fees on the Bonds, if any, and other qualified costs (collectively, the "**Project**").

BUSINESS SUMMARY

Developer
Organization: **Ridge Housing Partners, LLC and its affiliates, successors and assigns** ("**Ridge**", the **"Developer",** the "**Borrower**", or the "**Applicant**") is a special purpose legal entity created to develop and own the 915 West Wilson SLF project in conjunction with a Low Income Housing Tax Credit ("LIHTC") investor entity to be established by 42 Equity Partners, LLC (New York, NY). Ridge Housing Partners, LLC was formed as a limited liability company on August 22, 2013, under the laws of the State of Delaware.

It is anticipated that the Developer (i.e., General Partners of the Project) of 915 West Wilson SLF will hold a 1.00% ownership interest while the Limited Partner (i.e., the Tax Credit Investor(s)) will hold a 99.00% ownership interest in 915 West Wilson SLF.

Ownership of the Developer entity is presently comprised of Mr. Jim Martell, Ms. Sheryl Cohen and Mr. Chuck Freeburg (collectively, the "**Founders**"). Background information on each of the

Founders follows in the next section of this report. Additionally, please see the Economic Disclosure Statement section for additional information on the Developer (p. 7).

As further detailed under the section "Property Management Company" (see p. 6), Ridge Housing Partners, LLC will be engaging **Royal Care, Inc.** of Kildeer, Illinois ("**Royal Care**"), a property management company, as Management Agent (responsible for managing day-to-day operations at the Project). Separately, the Tax Credit Investor(s) and the Bond Purchasers must also approve of Royal Care, Inc.'s engagement to serve as Management Agent. See Economic Disclosure Statement for additional information (p. 7).

Background on the Founders: Ownership of Ridge Housing Partners, LLC is presently comprised of Mr. Jim Martell, Ms. Sheryl Cohen, and Mr. Chuck Freeburg. Each of these founding members has related affordable housing, real estate project development, or real estate management experience as noted below:

Jim Martell:

Mr. Martell serves as Chief Executive Officer and Chairman of the Board of Ridge Property Trust, a for-profit, privately-held **real estate investment trust** ("**REIT**") based in Chicago, Illinois with regional offices throughout the United States. Mr. Martell founded Ridge Property Trust and its predecessor company, Ridge Realty Group. Combining immediate access to key local decision makers with a highly responsive and streamlined organization, Ridge Property Trust provides a competitive advantage that makes acquisition and development cost-efficient, customized, and customer-focused. Prudential Real Estate Investors has been a key institutional investor in several Ridge Property Trust projects.

Although Ridge Property Trust will not have an ownership interest in this project, examples of recent projects undertaken by Ridge Property Trust under Mr. Martell's guidance have included a mix of build-to-suit and speculative industrial and warehousing/distribution projects: (1) West Ridge Corporate Center, Aurora, IL (multiple facilities with over 1.4 million SF – distribution), (2) Ricon Colors, West Chicago (120,000 SF – manufacturing/distribution), (3) Planes Moving & Storage, Aurora (60,000 SF warehouse/distribution), (4) Batavia Industrial Center (I-III; over 610,000 SF – distribution facilities), and (5) Bedford Park Corporate Center (I-IV; over 1.1 million SF – manufacturing/distribution).

Earlier in his career, Mr. Martell worked for one of the largest senior housing facility owners and developers in Wisconsin.

Sheryl Cohen:

Ms. Cohen is President of Royal Care, the proposed Management Agent that will be engaged to manage leasing, hiring, and day-to-day operations of the 915 West Wilson SLF project.

Royal Care and Ms. Cohen have previous experience in the lease-up and day-to-day management of SLF projects. In particular, Royal Care was previously engaged by **Evergreen Real Estate Services, LLC** ("**Evergreen Real Estate**") of Chicago to manage its Plum Creek SLF project in Rolling Meadows, IL.

Royal Care retrained existing staff and hired and trained new staff to improve service to residents. Royal Care also improved financial operations at the Plum Creek SLF by effectively controlling expenses and improving profitability. Today, Plum Creek SLF has strong financial reserves as a result of implementing strong financial management practices. Evergreen Real Estate and Royal Care are seeking to collaborate on additional portfolio acquisitions.

Earlier in her career, Ms. Cohen served as the Executive Director of Concord Place Retirement and Supportive Living Facility in Northlake, Illinois, where she managed conversion of the property to a Supportive Living Facility, managed initial lease-up through stabilization of the project, upgraded on-site residential services, and implemented personnel training focused on optimizing service delivery to its residents.

Chuck Freeburg:

Mr. Freeburg was formerly an investment banker for the Debt Capital Markets group at William Blair & Company, LLC and other firms. In addition to closing bond issues for many SLF projects and other senior living facilities in recent years, Mr. Freeburg has also served as investment banker to other industrial and residential real estate development projects across Illinois and nationally during his career.

Property Management Company: The 915 West Wilson SLF will be managed by Royal Care (see www.royalcaremanagement.com).

Royal Care was established in 2010 to manage senior living communities as a professional senior housing property management company that provides management and marketing services to Supportive Living Facilities. Royal Care's mission is to create extraordinary value for its residents, families, employees and financial partners of the senior living communities under their management.

Royal Care currently manages Plum Creek SLF (Rolling Meadows, IL) and Goldblatt's Senior Living SLF (Chicago, IL), among other senior properties.

IFA issued $11,600,000 of tax-exempt bonds in connection with development of the Plum Creek SLF project in Rolling Meadows in 2006. The Bonds were underwritten by William Blair & Co., LLC and were sold in a non-rated, limited public offering. All payments relating to the IFA Series 2006 Bonds have been paid as scheduled and were current as of 3/31/2014.

Project Impact: 915 West Wilson Supportive Living Facility forecasts creating over 45 new jobs in Chicago, ranging from highly skilled professional nursing and administrative positions to entry-level housekeeping positions. According to the Developer (Ridge Housing Partners, LLC), an estimated 100 construction jobs will be created during the anticipated 12- to 18-month construction period (preliminary estimate for construction timing).

The 915 West Wilson SLF will provide an affordable assisted living facility to 150 senior residents eligible for Medicaid.

Tenant Relocation: Pursuant to discussions with the Developer, an expert in the neighborhood was hired as part of the management team to coordinate relocation of the residents in a timely and humane manner. Approximately $100,000 (see p. 3 Uses of Funds) has been set aside to assist in the relocation of these residents. The expert identified each of the single-room occupants in the building and worked with local social service providers and elected officials on an accommodating time frame for relocation (i.e., rather than just providing notice of eviction).

Accessibility: The Project will comply with the federal Americans with Disabilities Act as applicable (the subject building was originally constructed in the early- to mid-1920s).

The Illinois' Supportive Living Program: DHFS manages the Supportive Living Facility Program and licenses individual projects pursuant developer applications. The objective of the SLF Program is to reduce the State's Medicaid expenditures. SLF Facilities can reduce daily Medicaid reimbursement rates that are currently over $100/day at many nursing homes in Cook County to $74.66/day (as of 3/26/2014 at SLFs located in Cook County). Many SLF residents have relocated from a nursing home.

Illinois currently has 143 open and operating SLF's, with approximately 19 additional facilities approved by DHFS to proceed towards certification as of 3/26/2014 (including the subject project).

Certified SLF providers are exempt from the Nursing Home Care Act, the Health Facilities Planning Act, and the Assisted Living and Shared Housing Act.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ridge Housing Partners, LLC, 225 West Washington St, Chicago, IL 60606

Contact: James G. Martell, Managing Member
Tel: (312) 257-2880; Email: jmartell@rptrust.com

Site Location: 915 West Wilson Avenue on the south side of Wilson Avenue on the north side of Chicago (Cook County), Illinois

Project name: IFA Series 2014 Affordable Rental Housing Revenue Bonds (915 West Wilson Supportive Living Facility Project)

Ownership Information: Ridge Housing Partners, LLC was formed as a special purpose entity to develop and own the SLF Project and to serve as obligor on the proposed IFA Bonds.

Ownership of Ridge Housing Partners, LLC is currently comprised of the following members (owners):

- James J. ("Jim") Martell, Manager (51%);
- Sheryl Cohen, Member (29%) (*Note:* also serves as President of Royal Care, Inc., the Management Agent for the Project); and
- Charles W. ("Chuck") Freeburg, Member (20%).

Ultimately, the current owners will likely form a stand-alone entity that will be the Managing Member of the Project (i.e., analogous to General Partner for the Project), with an anticipated 1.0% ownership interest in the Project.

Additionally, a special purpose affiliate of a Low Income Housing Tax Credit ("LIHTC") investor syndicate led by 42 Equity Partners, LLC (New York, NY) is expected to form a special purpose affiliate that will serve as the Investment Member of the Project (i.e., analogous to Limited Partner). This Investment Member would likely hold a 99.0% ownership interest in the Project. (See www.42equity.com for additional information.)

Details regarding ownership of the various entities that hold an ownership interest in the Project will be updated when this Project is presented for a Final Bond Resolution.

Management Agent: The following shareholder of Royal Care has a 5.0% or greater ownership interest in the Management Agent (which will be engaged by Ridge Housing Partners, LLC to manage day-to-day operations of the 915 West Wilson Supportive Living Facility):

- Sheryl Cohen, President, Royal Care, Inc.

As noted previously, Ms. Cohen, President of Royal Care, Inc. is a Member of Ridge Housing Partners, LLC (i.e., holding a 29% membership ownership interest), thereby aligning the interest of Royal Care, as Management Agent, with Project ownership in undertaking the successful development, lease-up, and successful operation of the 915 W. Wilson SLF Project.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Borrower Counsel:	Ridge Property Trust	Chicago, IL	William Peltin
Project Administrator:	Ridge Construction Services, LLC	Chicago, IL	
Architect:	Gleason Architects, P.C.	Sugar Grove, IL	Thad Gleason
General Contractor:	Alston Construction, Inc.	Rosemont, IL	
Accountant:	CohnResnick LLP (preliminary)		
Bond Purchaser(s):	Heartland Bank & Trust Co.	Bloomington, IL	Lawrence J. Horvath
Bank Counsel:	To be determined by Bond Purchaser		
Tax Credit Investor:	42 Equity Partners, LLC	New York, NY	
Tax Credit Investor's Counsel:	To be engaged by Tax Credit Investor		
Management Agent (Third Party):	Royal Care, Inc.	Kildeer, IL	Sheryl Cohen
Market Study:	Valerie S. Kretchmer Associates, Inc.	Evanston, IL	Valerie Sandler
IFA Counsel:	TBD		
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	9
State Senate:	7
State House:	13

CONDUIT

April 8, 2014

$140,000,000
Memorial Health System

REQUEST	**Purpose**: Bond proceeds of the Series 2014A Bonds (presented to the Board in December 2013 and closed in January 2014) and the 2014B Bonds will be used by **Memorial Health System** (the "**System**") and **Memorial Medical Center** ("**MMC**" or the "**Medical Center**" and, together with the System, the "**Borrowers**") to: (i) pay or reimburse the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects", including necessary and attendant land acquisition, facilities, equipment, site work and utilities appurtenant thereto, for the Borrowers; (ii) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iv) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority or the Borrowers; and (v) pay certain expenses incurred in connection with the issuance of the Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (*One-time consideration*)
MATERIAL CHANGES	This summary report updates the report submitted to the IFA Board of Directors on December 10, 2013 to incorporate details regarding the Series 2014B Bonds.
JOB DATA	Current jobs 5,854 — New jobs projected 100 Retained jobs 5,854 — Construction jobs projected 400
DESCRIPTION	• Location (Springfield / Sangamon County / Central Region) • Memorial Health System's (the "System") vision is to be a national leader for excellence in patient care. The System's mission, to improve the health of the people and communities that are served, is evident in its effort to provide healthcare services across the full continuum of care to the citizens of central Illinois, which it achieves by providing a great patient experience and emphasizing primary care services as well as continuity and coordination of services between the providers within the System. • The System owns and operates MMC a 471 bed (in service) teaching tertiary hospital, and several affiliates including The Abraham Lincoln Memorial Hospital and Taylorville Memorial Hospital, which are critical access hospitals located in Lincoln, IL and Taylorville, IL, respectively.
SECURITY	• Direct Note Obligation under a Master Trust Indenture. The Direct Note Obligation will be a full and unlimited obligation of the Obligated Group (the System and MMC) and will be secured by a security interest in the Pledged Revenues.
STRUCTURE	• Fixed Rate Debt and Floating Rate Debt • The Series 2014A Bonds were issued based on the underlying credit of the System which is currently rated A1/A+ by Moody's and S&P • The Series 2014B Bonds will be floating rate and privately placed with Fifth Third Bank for a 10 year term. • The Bonds will mature no later than July 1, 2044
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		Uses:	
IFA Bonds	$140,000,000	Project Cost	$130,000,000
		Debt Service Reserve Fund	10,000,000
		Costs of Issuance	(to be paid by MMC)
Total	**$140,000,000**	**Total**	**$140,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 8, 2014

Project: Memorial Health System

STATISTICS

Project Number:	H-HO-TE-CD-8657	Amount:	$140,000,000 (Not-to-Exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
City:	Springfield, IL	County/Region:	Sangamon County/Central Region

BOARD ACTION

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

VOTING RECORD

A Final Bond Resolution approving the issuance of the Series 2014A Bonds was approved by the Board on December 10, 2013. This report updates the report to incorporate details regarding the Series 2014B Bonds.

PURPOSE

Bond proceeds will be used to finance or reimburse for a series of expansion projects at MMC's patient care and teaching facilities, including:

- Patient Tower ('E' building vertical expansion) – The 'E' building vertical expansion will consist of three levels (38 beds per level) totaling 115,000 gross square feet and 114 private beds. This expansion will take MMC to all medical/surgical private rooms without changing the total number of available beds. In addition, the main entrance and lobby will be renovated. The estimated cost is $63.8 million.

- Main Operating Room (OR) – The OR expansion includes a two-story 34,400 gross square feet structure attached to the 'E' building consisting of 6 new operating rooms (5 incremental operating rooms). The estimated cost is $31.4 million.

- Memorial Center for Learning and Innovation ("MCLI") – To advance the future of medicine and develop workforce, MMC will build a new four-story 50,000 gross square feet MCLI building at an estimated cost of $36.1 million which will be used by MMC and SIUSM. The MCLI will allow MMC to enhance education and training capabilities for staff and physicians and strengthen the relationship with SIU. A portion of this facility may not qualify for tax exempt financing and will be funded by MMC.

- Renovating and equipping MMC's existing energy plant and related infrastructure at an estimated cost of $24.1 million. A total of 4,500 gross square feet will be added to accommodate additional infrastructure needed for this campus expansion.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 5,854

Projected new jobs: 100
Construction jobs: 400

ESTIMATED SOURCES AND USES OF FUNDS

IFA Bonds	$140,000,000	Project Cost	$130,000,000
		Debt Service Reserve Fund	10,000,000
		Costs of Issuance	(to be paid by MMC)
Total	**$140,000,000**	**Total**	**$140,000,000**

FINANCING SUMMARY

Security: Direct Note Obligations under a Master Trust Indenture. The Direct Note Obligations are full and unlimited obligations of the Obligated Group and will be secured by a security interest in the Pledged Revenues.

Structure: The plan of finance contemplates the issuance of fixed rate debt and floating rate debt. The Series 2014A fixed rate bonds were sold in a public offering in January 2014 and carried the rating of Memorial Health System which is currently A1/A+ by Moody's and S&P, respectively. The Series 2014B floating rate bonds will be privately placed with Fifth Third Bank for a term of 10 years.

Interest Rate: Floating rate

Interest Mode: The Series 2014A Bonds were issued as fixed rate bonds (the Borrower obtained approval at the December 2013 Board meeting). The Series 2014B Bonds will be floating rate.

Credit Enhancement: None (the Series 2014A Bonds carry the credit rating of Memorial Health System) and the 2014B Bonds will be privately placed.

Maturity: Not later than July 1, 2044

Rating: Memorial Health System is currently rated A1/A+ by Moody's and S&P, the 2014B Bonds will not carry any ratings

Est. Closing Date: May 2014

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds of the Series 2014A and 2014B Bonds will be used by **Memorial Health System** (the "**System**") and **Memorial Medical Center** ("**MMC**" or the "**Medical Center**" and, together with the System, the "**Borrowers**") to: (i) pay or reimburse the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects", including necessary and attendant land acquisition, facilities, equipment, site work and utilities appurtenant thereto, for the Borrowers including, but not limited to, (a) the construction and equipping of an approximately three level, 115,000 square foot vertical expansion to the Medical Center's existing patient tower located in Springfield, Illinois, (b) the construction and equipping of an approximately two story, 34,000 square foot expansion to the Medical Center's existing main operating suite located in Springfield, Illinois, (c) the renovation and equipping of the Medical Center's existing energy plant and related infrastructure located in Springfield, Illinois, (d) the construction and equipping of an approximately four story, 50,000 square foot building to be located at 228 West Miller Street in Springfield, Illinois and to be used by the Medical Center and the Southern Illinois University School of Medicine as an educational institution for staff and physicians, (e) the renovation and reconfiguration of the main entrance and lobby of the Medical Center's 'E' building located in Springfield, Illinois, and (f) certain routine capital expenditures of the Borrowers; (ii) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the

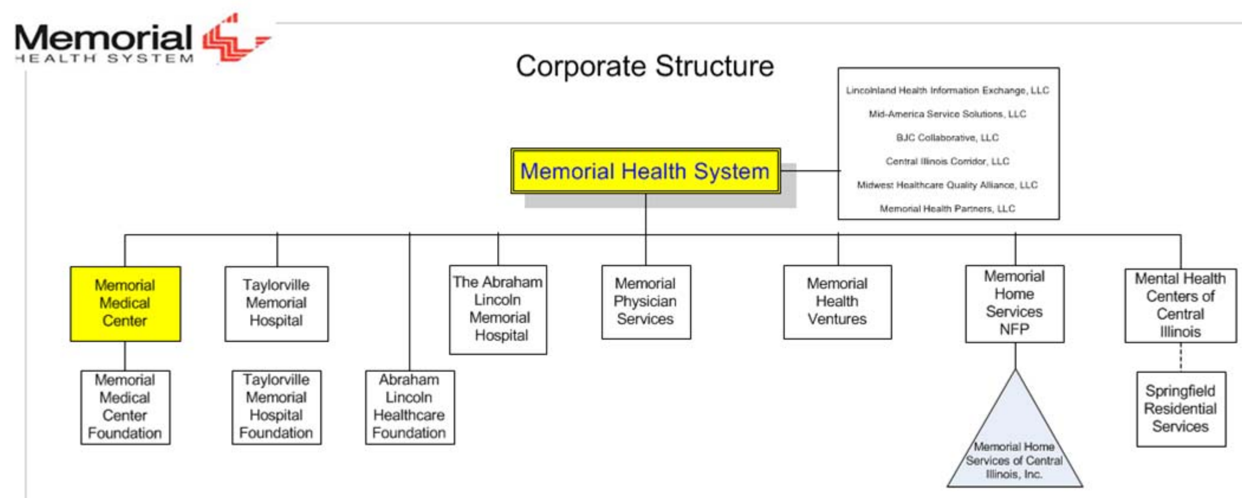
Borrowers; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iv) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority or the Borrowers; and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

BUSINESS SUMMARY

As part of a corporate reorganization plan in 1993, Memorial Health System was incorporated as an Illinois not-for-profit corporation and the sole corporate member of the Medical Center. The System's vision is to be a national leader for excellence in patient care. The System's mission, to improve the health of the people and communities that we serve, is evident in the System's effort to provide healthcare services across the full continuum of care to the citizens of central Illinois. This is achieved by providing a great patient experience and emphasizing primary care services as well as continuity and coordination of services between the providers within the System.

In addition to MMC, the System is currently affiliated with: Memorial Physician Services ("**MPS**"), Memorial Home Services ("**MHSvc**"), ALMH, Abraham Lincoln Healthcare Foundation ("**ALMF**"), Mental Health Centers of Central Illinois ("**MHCCI**"), Memorial Health Ventures ("**MHV**") and TMH (collectively, the "**Affiliated Corporations**").

The System, MMC, MHSvc, ALMH, TMH, MPS, MHV, MHCCI and ALHF are all Illinois not-for-profit corporations and have all been recognized as organizations described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxation. An organizational chart is included below.



ECONOMIC DISCLOSURE STATEMENT

Applicant:	Memorial Medical Center
Location:	701 N 1st Street Springfield, IL
Project name:	Memorial Medical Center
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Robert W. Kay, Senior Vice President and CFO

Memorial Medical Center, Board of Directors
* Indicates membership on the System Board of Directors.

Name	Affiliation	Term Expires
Dale M. Becker* Treasurer	CPA Kerber, Eck & Braeckel, CPAs	2020
John D. Blackburn* First Vice Chairman	President Lincoln College	2021
James P. Bruner* Chairman	President United Contractors Midwest	2016
Edgar J. Curtis* President	President and Chief Executive Officer Memorial Health System	n/a
Mark H. Ferguson*	Attorney Sorling Northrup	2016
Randall S. Germeraad* Second Vice Chairman	Senior Vice President Springfield Electric Supply	2022
David L. Griffen, MD, Ph.D	Physician SIU School of Medicine, SIU HealthCare	2015
Nina M. Harris*	President and Chief Executive Officer Springfield Urban League	2014
Joseph M. Hurwitz* Immediate Past Chairman	Partner Hurwitz Enterprises	2021
Geoffrey R. Isringhausen	President Isringhausen Imports	2020
Susan J. Koch, Ed.D	Chancellor University of Illinois Springfield	2022
Mark Kuhnke, MD	Physician Springfield Clinic LLP	2017
Michael A. Pick, MD	Physician Springfield Clinic LLP	2014
Carol J. Hansen Posegate* Secretary	Retired Attorney	2022
Dean E. Robert, Jr.*	President/COO Sysco Central Illinois, Inc.	2021
Diane K. Rutledge, Ph.D.*	Executive Director Large Unit District Association	2020
Todd W. Wise	President and COO United Community Bank	2021

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sorling Northrup	Peoria	James Broadway
Bond Counsel:	Chapman and Cutler LLP	Chicago	Dan Bacastow
Structuring Agent:	Piper Jaffray & Co.	Chicago	Nessy Shems
Bond Trustee	Bank of New York	Chicago	Robert Hardy
Purchaser:	Fifth Third Bank	Chicago	Ryan Vilnius
Purchaser's Counsel:	Chapman and Cutler LLP	Chicago	Carol Thompson
Financial Advisor:	Ponder & Co.	Valparaiso, IN	Mike Tym
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams
Issuer's Counsel:	Charity & Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS

Congressional:	17
State Senate:	50
State House:	99

SERVICE AREA

The System has a wide service area, drawing patients from 40 counties in the central portion of Illinois. The primary service area, which includes Sangamon County and eight adjacent counties, accounts for 87.0% of the System's inpatient discharges. Sangamon County, the immediate service area for MMC, accounts for 49.0% of the System's inpatient discharges. The System's secondary service area includes 31 counties spanning the middle of the State and accounts for 10.7% of the System's inpatient discharges. The remaining 2.3% of inpatient discharges are drawn from other locations in Illinois and from surrounding states. The System's overall service area has remained constant over the past five years.

MHS Primary and Secondary Markets Map

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: April 8, 2014

Re: Resolution Reauthorizing Illinois Finance Authority Commercial Paper Revenue Notes (Loyola University of Chicago Financing Program) and Ratifying Certain Actions Related Thereto

IFA Series 2008 File Number: E-PC-TE-CD-8044

Request:

Loyola University of Chicago ("**Loyola**" or the "**Borrower**"), an Illinois not for profit corporation, and **PNC Bank, National Association**, the "**Replacement Credit Facility Provider**" or "**Bank**"), are requesting approval of a Resolution to (i) effectuate the continuation of ongoing "rollovers" of Illinois Finance Authority Commercial Paper Revenue Notes (Loyola University of Chicago Financing Program) ("**Notes**") through June 1, 2020, and (ii) ratify certain actions related thereto.

The Notes mature and become payable no more than 270 days from the date of issuance, at which time the Borrower can "rollover" the issue by issuing new commercial paper to pay off the maturing paper at an additional term and interest rate as determined by Merrill Lynch, Pierce, Fenner & Smith Inc., a subsidiary of Bank of America Corporation (the "**Dealer**"). The Notes are a general unsecured obligation of the Borrower.

The **Illinois Finance Authority** (the "**Authority**") initially issued it Notes on behalf of Loyola University of Chicago as of June 4, 2008 in an amount not-to-exceed $95,000,000. The Notes were originally secured by a direct-pay letter of credit from **JPMorgan Chase Bank, National Association** (the "**Initial Credit Facility Provider**"). On or about August 15, 2011, Loyola replaced it with a direct-pay letter of credit from PNC Bank, National Association, which continues to secure the Notes. As of April 1, 2014, Loyola had approximately $74,040,000 of Notes outstanding.

This Resolution ratifies the issuance of "rollovers" and authorizes the Authority to continue ongoing "rollovers" of the Notes on behalf of Loyola through June 1, 2020.

Background:

The proceeds of the Notes have been loaned to Loyola to (i) finance, refinance or reimburse the Borrower for the costs of the acquisition, construction, renovation and equipping of certain of its facilities constituting "educational facilities" as defined in the Authority Act, (ii) refinance certain indebtedness heretofore incurred by the Borrower in order to effect the redemption of certain revenue bonds of the Authority and (iii) pay certain costs of the issuance of the Notes.

No event of default has occurred in connection with the ongoing rollovers of Notes issued on behalf of Loyola in amounts not-to-exceed $95,000,000.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke
Commercial Paper Dealer:	Merrill Lynch, Pierce, Fenner & Smith Inc. (Bank of America)	New York, NY	
LOC Bank:	PNC Bank, N.A.	Chicago, IL	
Trustee:	U.S. Bank, N.A.	Chicago, IL	
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

RESOLUTION NO. 2014-0408-AD__

RESOLUTION authorizing an amendment to the Resolution of the Illinois Finance Authority (the "Authority"), adopted on April 8, 2008, (the "Existing Program Resolution"), authorizing and approving, among other things, the issuance and delivery by the Authority from time to time of not in excess of $95,000,000 aggregate principal amount at any one time outstanding of Commercial Paper Revenue Notes (Loyola University of Chicago Financing Program) (the "Notes") pursuant to a tax-exempt commercial paper program (the "Program"); authorizing and approving the ratification and extension of the Authority's authorization under the Existing Program Resolution of the issuance and sale of Notes issued from time to time ("Rollover Notes") under the Bond Trust Indenture dated as of June 1, 2008, as supplemented and amended (the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee, and pursuant to the Program from May 1, 2013 to the date hereof; authorizing and approving the extension of the Authority's authorization under the Existing Program Resolution of the issuance and sale of Rollover Notes under the Bond Indenture and pursuant to the Program from the date hereof until June 1, 2020; authorizing and approving the execution and delivery of any documentation necessary to effect the foregoing; and authorizing and approving certain related matters.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation, the Illinois Finance Authority Act, 20 *ILCS* 3501/801-1 *et seq.*, as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds or notes for the purpose of financing and refinancing the cost of "educational facilities" used by "private institutions of higher education" (as such terms are defined in the Act); and

WHEREAS, on April 8, 2008, the Authority adopted the Resolution (the "Existing Program Resolution") authorizing and approving, among other things, the issuance and delivery by the Authority from time to time of not in excess of $95,000,000 in aggregate principal amount at any one time outstanding of Commercial Paper Revenue Notes

(Loyola University of Chicago Financing Program) (the "Notes") pursuant to a tax-exempt commercial paper program (the "Program") established under the Bond Trust Indenture dated as of June 1, 2008, as supplemented and amended (the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee, issuing agent and paying agent, the proceeds of the Notes to be used to (a) finance, refinance and reimburse the costs of certain projects comprising "educational facilities" as defined in the Act, (b) refinance certain taxable indebtedness theretofore incurred by Loyola University of Chicago, an Illinois not for profit corporation (the "Corporation"), in order to effect the refunding of certain revenue bonds of the Authority and (c) pay certain costs relating to the issuance from time to time of the Notes; and

WHEREAS, under the Bond Indenture and pursuant to the Program, Notes are issued from time to time (herein referred to as "Rollover Notes") solely to refund other Notes (including Rollover Notes) then maturing; and

WHEREAS, the Existing Program Resolution provided that the Authority's authorization of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program would expire on May 1, 2013, unless such authorization is extended by a subsequent resolution of the Authority; and

WHEREAS, the Authority has been requested by the Corporation to extend and ratify the Authority's authorization of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program since May 1, 2013 to the date hereof and to extend the Authority's approval and authorization of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program from the date hereof to June 1, 2020; and

WHEREAS, the Authority desires to so ratify and extend its authorization of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program;

NOW, THEREFORE, Be It Resolved by the Authority that:

Section 1. Ratification and Extension. The Authority hereby extends and ratifies its authorization and approval of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program since May 1, 2013 to the date hereof, and hereby authorizes and approves the extension of its authorization of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program from the date hereof to June 1, 2020.

Section 2. Amendment and Restatement of Section 13 of the Existing Program Resolution. In order to provide for the approval of the ratification and extension of the Authority's authorization of the issuance and sale of Rollover Notes from time to time under the Bond Indenture pursuant to the Program, Section 13 of the Existing Program Resolution is hereby amended and restated in its entirety to read as follows:

> "*Section 13.* That the authorization of the issuance and sale of the Notes from time to time pursuant to this Resolution shall expire on (i) May 1, 2011, with respect to the issuance of Notes that are not Rollover Notes, and (ii) on June 1, 2020, with respect to Rollover Notes, in either case unless such authorization is extended by a subsequent resolution, or other approval of the Authority in such form as is acceptable to the General Counsel of the Authority (or any person duly appointed to such office on an interim or acting basis)."

Section 3. Execution and Delivery of Documentation. The Authority does hereby authorize and approve the execution by its Chairman, Vice Chairman or Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority (each, an "Authorized Officer") and the delivery of such documentation as is deemed by the Bond Counsel engaged in connection with the Notes and the Program to be necessary or appropriate to accomplish the matters set forth above in this Resolution, such documentation to be in such forms as shall be approved by the Bond Counsel engaged in connection with the Notes and the Program, by General Counsel of the Authority (or any person duly appointed to such office on an interim or acting basis) and by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such approval.

Section 4. Authorization and Ratification of Related Matters. The members, officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute, deliver and/or approve all such documents and showings as may be necessary or appropriate to carry out and comply with the provisions of this Resolution, and all of the acts and doings of the members, officials, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 5. Repeal of Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its passage. The foregoing notwithstanding, the Existing Program Resolution is hereby confirmed and approved in all respects except insofar as certain provisions thereof are expressly amended or modified by, or are otherwise in conflict with, this Resolution.

Item 5 has been withdrawn.

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: April 8, 2014

Re: Resolution Approving Certain Amendments to the Illinois Finance Authority Series 2010A and Series 2010B (Palos Community Hospital and The St. George Corporation) Loan Agreements

---

On April 12, 2010, the Illinois Finance Authority (the "**Authority**") issued its Illinois Finance Authority Revenue Bonds, Series 2010A (**Palos Community Hospital**) with an authorized principal amount of $50,000,000 and its Illinois Finance Authority Revenue Bonds, Series 2010B (**Palos Community Hospital**) with an authorized principal amount of $50,000,000, together the Series 2010 Bonds.

The Bonds were issued and loaned to **Palos Community Hospital** and **The St. George Corporation** (the "**Borrowers**") pursuant to a Bond Purchase and Loan Agreement, among the Authority, the Borrowers and **JP Morgan Chase Bank, N.A.** (the "**2010A Purchaser**") and **The Northern Trust Company** (the "**2010B Purchaser**").

The proceeds of the Series 2010 Bonds were expected to be used to finance a portion of the cost of acquisition and construction of a new pavilion. The pavilion has been substantially completed at a lower cost than initially anticipated, resulting in a portion of the proceeds remaining on deposit in the project funds (the "**Excess Funds**"). The Borrowers anticipate using these funds to pay the cost of acquiring, constructing, renovating a remodeling additional "health care facilities" owned and operated by the Borrowers (the "**Additional Project**").

The Borrowers previously requested that the Authority and the Purchasers amend the Original Loan Agreements to permit the Excess Funds to be spent for costs of the Additional Project on or before the first business day of April, 2014 (the "**Original Completion Date Extension**"). The First Supplement to the Bond Purchase and Loan Agreements were executed on November 1, 2012 providing for the Original Completion Date Extension.

The Borrowers have now requested that the Authority and the Purchasers agree to further extend the Construction Final Draw Date to the first business day of July, 2014 (the "**Second Completion Date Extension**").

IFA RESOLUTION 2014-0408-AD__________

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

WHEREAS, on April 12, 2010, the Authority issued its Illinois Finance Authority Revenue Bonds, Series 2010A (Palos Community Hospital) (the *"Series 2010A Bonds"*) with an authorized principal amount of $50,000,000 and its Illinois Finance Authority Revenue Bonds, Series 2010B (Palos Community Hospital) (the *"Series 2010B Bonds"* and, together with the Series 2010A Bonds, the *"Series 2010 Bonds"*) with an authorized principal amount of $50,000,000; and

WHEREAS, the proceeds of the Series 2010A Bonds are available for loan to Palos Community Hospital and The St. George Corporation, each a not for profit corporation incorporated under the laws of the State of Illinois (together, the *"Borrowers"*), pursuant to a Bond Purchase and Loan Agreement dated as of April 1, 2010 (the *"Original 2010A Loan Agreement"*), among the Authority, the Borrowers and JP Morgan Chase Bank, N.A. (the *"2010A Purchaser"*); and

WHEREAS, the proceeds of the Series 2010B Bonds are available for loan to the Borrowers pursuant to a Bond Purchase and Loan Agreement dated as of April 1, 2010 (the *"Original 2010B Loan Agreement"* and, together with the 2010A Loan Agreement, the *"Original Loan Agreements"*), among the Authority, the Borrowers and The Northern Trust Company (the *"2010B Purchaser"* and, together with the 2010A Purchaser, the *"Purchasers"*); and

WHEREAS, the proceeds of the Series 2010 Bonds were expected to be used to (i) finance a portion of the cost of the acquisition and construction of a new pavilion (the *"Pavilion Project"*) and (ii) pay certain expenses; and

WHEREAS, the Pavilion Project was substantially completed at a lower cost than initially anticipated, resulting in additional proceeds of the Series 2010 Bonds being available (the *"Excess Funds"*); and

WHEREAS, the Borrowers desire to use the Excess Funds to pay the cost of acquiring, constructing, renovating and remodeling additional "health care facilities" owned and operated by the Borrowers (the *"Additional Project"*); and

WHEREAS, pursuant to each Original Loan Agreement, the Borrowers were originally permitted to receive Series 2010 Bond proceeds, including the Excess Proceeds, on or prior to the first business day of April, 2013 (the *"Construction Final Draw Date"*); and

WHEREAS, the Borrowers previously requested that the Authority and the Purchasers amend the Original Loan Agreements to permit the Excess Funds to be spent for costs of the Additional Project on or before the first business day of April, 2014 (the *"Original Completion Date Extension"*); and

WHEREAS, the Borrowers, the Authority and the Purchasers have previously executed the First Supplement to Bond Purchase and Loan Agreements each dated as of November 1, 2012, providing for the Original Completion Date Extension; and

WHEREAS, have now requested that the Authority and the Purchasers agree to further extend the Construction Final Draw Date to the first business day of July 2014 (the *"Second Completion Date Extension"*); and

WHEREAS, a draft of a Second Supplement to Bond Purchase and Loan Agreement (the *"2010A Supplement"*) supplementing the Original 2010A Loan Agreement and providing for the Second Completion Date Extension has been previously provided to the Authority and is on file with the Authority; and

WHEREAS, a draft of a Second Supplement to Bond Purchase and Loan Agreement (together with the 2010A Supplement, the *"2010 Supplements"*) supplementing the Original 2010B Loan Agreement and providing for the Second Completion Date Extension has been previously provided to the Authority and is on file with the Authority; and

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

Section 1. 2010 Supplements. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director or the Members (each an *"Authorized Officer"*) and the delivery of the 2010 Supplements. The 2010 Supplements shall be substantially in the forms presented to the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the 2010 Supplements, and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval thereof.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions and the 2010 Supplements, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

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

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

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

Approved this 8th day of April, 2014 by vote as follows:

Ayes:

Nays:

Abstain:

Vacant:

ILLINOIS FINANCE AUTHORITY

By ______________________________________
Chairperson

ATTEST:

____
Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: Illinois Finance Authority Board of Directors

From: Christopher B. Meister, Executive Director

Date: April 8, 2014

Subject: Ratification of Resolution Supporting House Bill 4634, an Amendment to the Illinois Finance Authority Act Regarding the Transfer of Agricultural Guarantee Funds

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Ratification of Resolution Supporting House Bill 4634, an Amendment to the Illinois Finance Authority Act (the "Act") Regarding the Transfer of Agricultural Guarantee Funds is being presented for ratification allowing the Illinois Finance Authority (the "Authority") to serve as the custodian of the Illinois Agricultural Loan Guarantee Fund (Fund No. 994) and Agribusiness Loan Guarantee Fund (Fund No. 205) (the "Agricultural Guarantee Funds"), which are currently held by the Illinois State Treasurer. Both Funds were established to allow for and authorize the Authority to issue State of Illinois Guarantees for Farmers and Agribusiness and other Agricultural Purposes.

The Amendment, if enacted into State law, will transfer the Agricultural Guarantee Funds, including any monies, assets and securities, to a locally-held Authority account as soon as practically possible but no later than June 30, 2014 to achieve the public policy purposes set forth in the Act.

It remains the intent of the Authority to use these Agricultural Guarantee Funds solely and exclusively for agricultural purposes, in accordance with the terms of the Act. Under the proposed legislation, interest derived from the Agricultural Guarantee Funds may be used to pay for administrative costs of the Agricultural Guarantee Programs and the Authority by Resolution may transfer monies between the two Funds.

The Ratification of the Resolution, allows the members of the Authority, acting pursuant to their power to adopt this Resolution pursuant to Sections 801-25, 801-30, and 801-40 of the Act, to grant the Executive Director (or his designees) the authority to take all steps necessary to effectuate the intent of this Resolution and ratify all acts previously taken.

RESOLUTION NUMBER 2014-0408-____

RATIFICATION OF RESOLUTION SUPPORTING HOUSE BILL 4634, AN AMENDMENT TO THE ILLINOIS FINANCE AUTHORITY ACT REGARDING THE TRANSFER OF AGRICULTURE GUARANTEE FUNDS AND, AS APPLICABLE, AUTHORIZING THE TRANSFER OF THE AGRICULTURAL GUARANTEE FUNDS

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

WHEREAS, the Agriculture Committee of the Authority met in open session on April 1, 2014.

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

Section 1. Ratification, Confirmation and Approval. The Authority hereby ratifies, confirms and approves action taken, and the resolution adopted in connection therewith, by the Agriculture Committee on April 1, 2014, as evidenced by attached Resolution 2014-0401-AG01.

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

Adopted this 8th[th] day of April, 2014 by vote as follows:

Ayes:
Nays:
Abstain:
Absent:
Vacant:

ILLINOIS FINANCE AUTHORITY

By:_______________________________
Chairman

ATTEST:

By: _______________________________
Assistant Secretary

[SEAL]

IFA Resolution No. 2014-0401-AG01

RESOLUTION SUPPORTING HOUSE BILL 4634, AN AMENDMENT TO THE ILLINOIS FINANCE AUTHORITY ACT REGARDING THE TRANSFER OF AGRICULTURE GUARANTEE FUNDS AND, AS APPLICABLE, AUTHORIZING THE TRANSFER OF THE AGRICULTURAL GUARANTEE FUNDS

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act"); and

WHEREAS, Section 830-30(c) of the Act established the Illinois Agricultural Loan Guarantee Fund (Fund No. 994) to allow for and authorize the Authority to issue State of Illinois guarantees for farmers' existing debts held by a lender; and

WHEREAS, Section 830-35(c) of the Act established the Illinois Farmer and Agribusiness Loan Guarantee Fund (Fund No. 205) to allow for and authorize the Authority to issue State of Illinois guarantees to lenders' for loans to eligible farmers and eligible agribusinesses (the Illinois Farmer and Agribusiness Loan Guarantee Fund, together with the Illinois Agricultural Loan Guarantee Fund, shall for convenience purposes only collectively herein be referred to as the "Agricultural Guarantee Funds"); and

WHEREAS, the Act now requires the State Treasurer to be the custodian of the Agricultural Guarantee Funds; and

WHEREAS, the Authority has requested that the Illinois General Assembly amend the Act (the "Amendment"), attached hereto as Exhibit A, to establish the Authority as the custodian of the Agricultural Guarantee Funds; and

WHEREAS, the Amendment, if successful, will transfer the Agricultural Guarantee Funds, including any monies, assets and securities, to a locally-held Authority account; and

WHEREAS, the Authority intends to transfer the Agricultural Guarantee Funds as soon as practically possible upon the passage of the Amendment, to achieve the public policy purposes set forth herein; and

WHEREAS, it remains the intent of the Authority to use these Agricultural Guarantee Funds solely and exclusively for agricultural purposes, in accordance with the terms of the Act. Under the proposed legislation, interest derived from the Agricultural Guarantee Funds may be used to pay for administrative costs of the Agricultural Guarantee Programs and the Authority by resolution may transfer monies between the two funds.; and

WHEREAS, the Members of the Agriculture Committee of the Authority, acting pursuant to their power to adopt this "Resolution" pursuant to the provisions of Sections 801-25, 801-30, and 801-40 of the Act, hereby grant the Executive Director (or his designees) the authority to take all steps necessary to effectuate the intent of this Resolution and ratify all acts previously taken;

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

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Ratification of Past Actions. The Agriculture Committee of the Authority hereby accepts and ratifies all actions taken by the Executive Director (or his designees) prior to the date of this Resolution.

Section 3. Support for an Amendment to House Bill 4634. The Agriculture Committee of the Authority herewith lends its support to the Amendment and authorizes the Executive Director (or his designee) to deliver and submit this Resolution to the Illinois General Assembly to evidence the Authority's support of the Amendment and the public policy supporting it.

Section 4. Clarification with Regard to All Future Action Taken by the Executive Director. The Agriculture Committee of the Authority, conditioned upon the passage of the Amendment, does hereby authorize, empower, and direct the Executive Director (or his designees) to take or cause to be taken any and all acts or steps, to execute, acknowledge, and deliver any and all such agreements, instruments, certificates, and other documents, and to pay all such fees and expenses, as he may deem necessary, to cause the transfer of the Agricultural Guarantee Funds as contemplated above and as authorized herein, as well as, to take or cause to be taken all additional acts as are necessary and appropriate to effectuate the intent of this Resolution.

Section 5. Severability. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause, or provision.

Section 6. Enactment; Effective Date. This Resolution shall take effect immediately.

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Adopted this 1st day of April, 2014, by vote as follows:

Ayes:	4
Nays:	0
Abstain:	0
Absent:	3
Vacant:	0

AGRICULTURE COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY

By s/Edward H. Leonard, Sr.
Committee Chairman

ATTEST:

Assistant Secretary

[SEAL]

EXHIBIT A

PROPOSED AMENDMENT

20 ILCS 3501/830-30(c)

(c) There is hereby created outside of the State treasury a special fund to be known as the Illinois Agricultural Loan Guarantee Fund. The Authority ~~State Treasurer~~ shall be custodian of this Fund. No later than June 30, 2014, the Illinois Agricultural Loan Guarantee Fund, including any monies, assets and securities in the Fund, shall be transferred from the State Treasurer to the Authority. Any amounts in the Illinois Agricultural Loan Guarantee Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amount authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 830-40 of this Act. Interest derived from the Illinois Agricultural Loan Guarantee Fund may be used to pay for administrative costs of State Guarantees issued under this section. The Authority is authorized to transfer to the Fund such amounts as are necessary to satisfy claims during the duration of the State Guarantee program to secure State Guarantees issued under this Section. The Authority by resolution may transfer monies from the Illinois Farmer and Agribusiness Loan Guarantee Fund to the Illinois Agricultural Loan Guarantee Fund. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Agricultural Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund. Within 30 days after November 15, 1985, the Authority may transfer up to $7,000,000 from available appropriations into the Illinois Agricultural Loan Guarantee Fund for the purposes of this Act. Thereafter, the Authority may transfer additional amounts into the Illinois Agricultural Loan Guarantee Fund to secure guarantees for defaults as defaults occur. In the event of default by the farmer, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Agricultural Loan Guarantee Fund to satisfy claims against the State Guarantee. The Illinois Agricultural Loan Guarantee Fund shall guarantee receipt of payment of the 85% of the principal and interest owed on the State Guarantee Loan by the farmer to the guarantee holder. It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee within 14 months of the time the State Guarantee is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate which the lender charges on the State Guarantee; provided, however, that the Authority may extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a farmer. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for farmers associated with selling a loan subject to a State Guarantee in a secondary market as may be deemed reasonable and necessary by the Authority.

20 ILCS 3501/830-35(c)

(c) There is hereby created outside of the State treasury a special fund to be known as the Illinois Farmer and Agribusiness Loan Guarantee Fund. The Authority ~~State Treasurer~~ shall be custodian of this Fund. No later than June 30, 2014, the Illinois Farmer and Agribusiness Loan Guarantee Fund, including any monies, assets and securities in the Fund, shall be transferred from the State Treasurer to the Authority. Any amounts in the Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amounts authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 830-40 of this Act. Interest derived from the Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to pay for administrative costs of State Guarantees issued under this section. The Authority is authorized to transfer such amounts as are necessary to satisfy claims from available appropriations and from fund balances of the Farm Emergency Assistance Fund as of June 30 of each year to the Illinois Farmer and Agribusiness Loan Guarantee Fund to secure State Guarantees issued under this Section and Sections 830-45, 830-50, and 830-55. The Authority by resolution may transfer monies from the Illinois Agricultural Loan Guarantee Fund to the Illinois Farmer and Agribusiness Loan Guarantee Fund. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Farmer and Agribusiness Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund. In the event of default by the borrower on State Guarantee Loans under this Section, Section 830-45, Section 830-50, or Section 830-55, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Farmer and Agribusiness Loan Guarantee Fund to satisfy claims against the State Guarantee. It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee under this Section, Section 830-45, Section 830-50, or Section 830-55 within 14 months of the time the State Guarantee is declared delinquent. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate that the lender charges on the State Guarantee, provided that the Authority shall have the authority to extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section, Section 830-45, Section 830-50, or Section 830-55 upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a borrower on State Guarantee Loans under this Section, Section 830-45, Section 830-50, or Section 830-55. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for borrowers associated with selling a loan subject to a State Guarantee under this Section, Section 830-45, Section 830-50, or Section 830-55 in a secondary market as may be deemed reasonable and necessary by the Authority.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: Members of the Authority

From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer

Date: April 8, 2014

Re: Resolution Approving the Terms of Rating Agency Contracts with Fitch Ratings and Standard and Poor's Ratings Services

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On March 11, 2014, the Illinois Finance Authority (the "**Authority**" or "**IFA**") published a Request for Proposal ("**RFP**") on the Authority's website and in the Illinois Procurement Bulletin requesting proposals to obtain a preliminary rating opinion letter ("**Indicative Rating**") from a nationally recognized statistical rating agency for a proposed Transportation Infrastructure Finance and Innovation Act ("**TIFIA**") loan associated with the Illinois portion of the Illiana Corridor project ("**Illinois Project**" or "**Project**").

The IFA published this RFP in connection with the Authority's work with the Illinois Department of Transportation ("IDOT") under the intergovernmental agreement approved by the Board on March 11, 2014. IDOT, supported by IFA, is currently in the process of requesting TIFIA credit assistance from the United States Department of Transportation ("**USDOT**") in the form of a secured loan on behalf of the developer, who is anticipated to be the ultimate borrower. As part of the creditworthiness review process to secure a TIFIA loan, IDOT is seeking to provide the USDOT with an Indicative Rating for the Project's senior debt and TIFIA loan.

Responses to the RFP were due at 5:00 p.m. on March 25, 2014; with the Authority receiving responses from the following agencies:

1. Fitch Ratings
2. Standard & Poor's Ratings Services
3. Kroll Bond Rating Agency
4. Moody's Investors Service

The evaluation committee [Sohair Omar (Authority Deputy Director) and Rich Frampton (Authority Vice President)] reviewed the 4 responses. The responses were evaluated based on professional qualifications, experience, and pricing.

Following the review, the evaluation committee recommends Fitch Ratings and Standard & Poor's Rating Services as the two most qualified rating agencies (the "Rating Agency Contracts").

Since a TIFIA loan application may be submitted more than once, it is possible that multiple Indicative Ratings may need to be secured. The Rating Agency Contracts will be for an initial two-year term, with the Authority having the right to exercise the option for an additional year.

RESOLUTION NO. 2014-0408-AD08

RESOLUTION APPROVING THE TERMS OF Rating Agency Contracts with Fitch Ratings and Standard and Poor's Ratings Services

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

WHEREAS, on July 15, 2013, by Public Act 098-0090 (the "Act"), the Illinois State General Assembly amended the Illinois Procurement Code (30 ILCS 500/1-1 *et seq*.) (the "Code") by excluding certain contracts to be entered into by the Authority from the Code; and

WHEREAS, pursuant to Section 15 of the Act, contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 (the "Contracts") by the Authority in which the State of Illinois is not obligated are excluded from the requirements set forth in the Code; and

WHEREAS, the Act further provides that such contracts shall be awarded through a competitive process authorized by the Board of the Authority;

WHEREAS, on August 13, 2013 the Board of the Authority approved a written procurement policy (the "Policy") for the procurement of contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Authority in which the State of Illinois is not obligated;

WHEREAS, the Act further provides that the Board of the Authority shall approve the terms of such Contracts;

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

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Approval of Rating Agency Contracts. The Authority hereby approves the terms of the contracts with the Vendors listed below, as Vendors the Authority may utilize for rating services ("Rating Agency Contracts").

<u>List of Vendors:</u>

Fitch Ratings
Standard & Poor's Ratings Services

Section 3. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, including but not limited to designating the various categories for which firms are eligible to provide legal services, and to execute, acknowledge and deliver any and all such agreements, instruments, certificate and other documents as may be required in connection with the Rating Agency Contracts.

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

Section 5. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

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

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