

# **ILLINOIS FINANCE AUTHORITY**

**May 8, 2018**

**9:30 a.m.**

## **REGULAR MEETING**

**Michael A. Bilandic Building**

**160 North LaSalle Street**

**Suite S-1000**

**Chicago, Illinois 60601**

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

**NEW BUSINESS**

**TAX-EXEMPT CONDUIT TRANSACTION PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>Private Activity Bonds - Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
1	A) Ben Boehne	Hoyleton (Washington County)	\$280,000	-	-	PE/LK
	B) Tanner J. Radke	Crooked Creek (Jasper County)	\$228,480	-	-	PE/LK
	C) Levi & Libby Collins	Crooked Creek (Jasper County)	\$224,400	-	-	PE/LK
	D) Justin K. Kellerman	Beacoup (Perry County)	\$74,700	-	-	PE/LK
<b>TOTAL TAX-EXEMPT CONDUIT TRANSACTION PROJECTS</b>			<b>\$807,580</b>	-	-	

**DIRECT AND ALTERNATIVE FINANCING PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>Participation Loans</b> <i>Final (One-Time Consideration)</i>						
2	Heron Blanco & Peggy Chamarro d/b/a PSD Printing	Rockford (Winnebago County)	\$20,000	2	-	SL
<b>TOTAL DIRECT AND ALTERNATIVE FINANCING PROJECTS</b>			<b>\$20,000</b>	<b>2</b>	<b>-</b>	
<b>GRAND TOTAL</b>			<b>\$827,580</b>	<b>2</b>	<b>-</b>	

**Board Meeting**

May 8, 2018

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**NEW BUSINESS****RESOLUTIONS**

<b>Tab</b>	<b>Action</b>	<b>Staff</b>
<b>Tax-Exempt Conduit Transactions</b>		
<b>3</b>	Resolution Consenting to a New Rate, Indexed Put Rate Period and New Indexed Put Date for Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012 (Carmel Catholic High School) Pursuant to the Terms of the Indenture and Approving of the Reissuance of Said Bonds for Federal Income Tax Purposes	RF/BF
<b>4</b>	Resolution Authorizing the Issuance of Not to Exceed \$50,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2018 (Chicago Symphony Orchestra); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters	RF/BF
<b>5</b>	Resolution Authorizing the Execution and Delivery of the First Amendment to the Bond and Loan Agreement Executed in Connection with the \$58,000,000 Illinois Finance Authority Revenue Bond, Series 2017 (Cantigny Foundation Project), to provide for Certain Amendments Relating to the Interest Rate Calculations and Certain Other Matters; Authorizing the Execution and Delivery of any Other Documents Necessary and Appropriate to Effect the Matters Set Forth in such First Amendment; and Authorizing and Approving Related Matters	RF/BF
<b>6</b>	Resolution Authorizing Execution and Delivery of a Second Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants in Connection with the Illinois Finance Authority \$9,765,000 Original Principal Amount Variable Rate Demand Affordable Housing Revenue Bonds, Series 1997 (Cinnamon Lake Towers Project); and Related Matters	RF/BF
<b>7</b>	Resolution Authorizing Certain Amendments to the Bond Trust Indenture relating to the Illinois Finance Authority Revenue refunding Bonds, Series 2015 (Riverside Health System), the Proceeds of which were Loaned to Riverside Medical Center, Riverside Senior Living Center and Oakside Corporation	PL
<b>Direct and Alternative Financings</b>		
<b>8</b>	Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan Program for Deferred Action for Childhood Arrivals ("DACA") Applicants to Medical and Dental Schools in Illinois, the "DACA Loan Program," in an Amount Not to Exceed \$2,900,000 and Ratifying Certain Matters Related Thereto	EW/RO

Date: May 8, 2018

To: Eric Anderberg, Chairman  
Gila J. Bronner  
James J. Fuentes  
Michael W. Goetz  
Neil Heller  
Robert Horne  
Mayor Arlene A. Juracek

Lerry Knox  
Lyle McCoy  
George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

**Working towards the Authority's Transformation**

At our February 2018 meetings, we outlined ambitious plans to expand, diversify and transform the Authority's business lines and revenues. These plans are essential in the aftermath of serious efforts by the United States House of Representatives in late 2017 to eliminate private activity bonds ("PABs" or federally tax-exempt conduit bonds), traditionally the primary tool the Authority utilizes to fulfil its statutory economic development mission. I am pleased to report progress on three of the most promising proposals to date: (1) PACE, (2) Participation Loans and (3) Public-Private Partnerships and Transportation Infrastructure.

**Property Assessed Clean Energy ("PACE") Bonds**

Since early 2007, at least 30 states have adopted some form of PACE enabling legislation but only a small number have been successfully implemented. Commercial PACE programs allow commercial property owners to finance or refinance up to 100% of their energy efficiency and renewable energy projects on a long-term basis through a voluntary PACE assessment added to their property tax bill. As repayment obligations can seamlessly transfer to any new owner upon sale of the commercial property, PACE financings are able to exceed standard commercial lending terms that are typically only 5-7 years otherwise. Similarly, the new owner of the commercial property continues to benefit from the ongoing savings from the energy efficiency and renewable energy projects.

While the PACE concept is simple, implementation has proven to be challenging and involves complex legal and financial issues. After having considered a variety of PACE proposals over a number of years, in August 2017 Illinois enacted Public Act 100-77 (50 ILCS 50/1 *et seq.*), a comprehensive and landmark framework enabling PACE financings for commercial properties. Soon afterwards, various stakeholders approached the Authority requesting assistance with program implementation. Working with a large number of stakeholders, including the Authority's longtime legal partners in municipal finance, the Authority drafted legislation to draw upon our Public-Private Partnership ("P3") experience to ease the administrative burden of PACE financings and ensure PACE financings are more economical



for all small businesses. Senate Bill (“SB”) 2773, which has no impact on the State Budget and passed the Senate 52-0 on May 2, will help fulfill the Authority’s public mission and provide greater opportunity for successful PACE implementation in Illinois. The Authority thanks Senators Pam Althoff and Karen McConnaughay for their leadership on SB 2773 as well as the Environmental Law & Policy Center for their tireless advocacy on behalf of PACE. The Authority looks forward to working with SB 2773’s House sponsor, Deputy Majority Leader Lou Lang, a longtime proponent of PACE in Illinois.

### **Sustainable Rejuvenated Participation Loan Program**

A major challenge to the adoption and effectiveness of any financing tool involving governmental actors is the perception that the tool may not be available when the lenders and borrowers actually need it. The purpose of SB 43 is to address this challenge with respect to the Authority’s rejuvenated participation loan program. SB 43 allows the Authority to use monies from three existing, statutorily-created funds, two of which are held by the State Treasurer while one is locally held by the Authority, both for the rejuvenated participation loan program and smaller PACE loans. By increasing the amount of money available, the Authority increases the probability that the rejuvenated participation loan program will be widely used by lenders to the benefit of potential borrowers, particularly, veteran, minority, female, and disabled-owned ventures as well as farmers and others engaged in various types of agribusiness – and a variety of Illinois small businesses.

The Authority thanks Senator Bertino-Tarrant and Representative Natalie Manley for their leadership on SB 43. SB 43 passed the Senate on April 24 on a vote of 52-1 and has been assigned to the House Revenue and Finance Committee. The Authority is also grateful to the Illinois Bankers Association, the Illinois Farm Bureau and the Office of the Illinois Treasurer for their consideration of the proposal.

The Authority’s rejuvenated participation loan program continues to be well-received by both lenders and borrowers. Since our April meeting, the Authority has enrolled 3 additional lenders with 2 more considering the documents, for a total of 10 lenders currently or prospectively participating in the program. ***Hernon Blanco & Peggy Chamaro d/b/a PSD Printing***, a Hispanic-owned printing business located in Rockford and the second project under the rejuvenated participation loan program, is on today’s agenda. Our team has also initiated its analysis of a lender loan request in support of a woman-owned, Rockford-based manufacturing company and is anticipating the receipt of a lender loan request in support of a veteran-owned venture.

### **The Authority and Illinois Infrastructure**

In February, the American Society of Civil Engineers issued its “2018 Report Card for Illinois’ Infrastructure” and gave the state an overall grade of “C-.” The Authority continues to be active and constructive in the policy discussion to use our tools to help address this insufficient grade. As part of this effort, the Authority contributed to the draft of a comprehensive and innovative plan by the Infrastructure Council of the State Chamber of Commerce for financing infrastructure in our state. The result of this collective work is House Bill (“HB”) 5468, sponsored by Representative Margo McDermed. Included in a lengthy set of proposals, the Authority’s contributions are (1) allowing the Authority to act as a center for competency and capacity for P3’s undertaken by Illinois local governments and (2) a proposed State-funded transportation revolving loan fund for transportation infrastructure. This proposal appeared to be well-received by the House Transportation Committee, chaired by Representative Marcus Evans, on April 17, 2018.

### **Strengthening the Authority's Team**

We recognize that the strength of the Authority's tools are only as strong as the Authority's team members and its organization. To this end, we are pleased to highlight progress in the areas below:

- By June 1, 2018, the Authority expects to complete the transition of our employees to a new benefits and internal payroll platform from a third-party vendor. While this process is not yet complete, our goal has been to maintain the same quality, choice and cost (to both the Authority and its employees) and we are on track to meet these goals.
- Working through a complex regulatory environment, the Authority is finalizing a process to recruit, select and hire several key positions, the first of which is anticipated to be the permanent staffing of the rejuvenated participation loan program.
- Internal audit should be a key resource for management. After a lengthy effort that included an innovative partnership with the Illinois Department of Central Management Services ("CMS"), the Authority is in receipt of its first two internal audit reports. More reports pursuant to the Authority's internal audit plan are expected.

We want to extend a special note of gratitude to **Janella Kaczanko** who joined us on a part-time basis to assist with the benefits/payroll transition and the strengthening of the Authority's human resources function in light of our transformation plans. Janella will be returning to a full-time position in the private sector. We are very appreciative of her help and we wish her success in the future.

### **The Business of the Authority**

As we work to transform the Authority, we pledge not to lose focus on the Authority's core and long-time tool to meet its public mission: federally tax-exempt conduit bonds or PABs. This means an ongoing commitment to work with our borrowers as both bonds, particularly PABs, loans and other commitments may evolve over time. Accordingly, we are pleased to have the Members consider resolutions regarding the following PAB projects: **Carmel Catholic High School** (Mundelein), **Chicago Symphony Orchestra**, **Cantigny Foundation Project**, **Cinnamon Lake Towers Project**, and **Riverside Health System**. We also are pleased to have four beginning farmer bond projects on the agenda, two in Jasper County and one each in Washington and Perry Counties, in addition to a resolution and an update regarding the Authority's pilot DACA loan program for medical students.

Finally, before the end of May, we expect to report the final resolution of a longstanding and large legacy liability to Authority. As always, I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our state.

Respectfully,



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Christopher B. Meister  
Executive Director

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Patrick Evans and Lorrie Karcher  
Date: May 8, 2018  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$533,500 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$807,580**
- **Calendar Year Summary:** (as of May 8, 2018)
  - Volume Cap: \$10,000,000
  - Volume Cap Committed: \$1,832,400
  - Volume Cap Remaining: \$8,167,600
  - Average Farm Acreage: 65
  - Number of Farms Financed: 9
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - IFA conveys tax-exempt, municipal bond status onto the financing
    - Will use dedicated 2018 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 (typically 1<sup>st</sup> Mortgage)
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - IFA assigns all of its rights to cash flows and security to the Bank
  - Workouts are negotiated directly between the 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:** 30402  
**Borrower(s):** Boehne, Ben  
Borrower Benefit: First Time Land Buyer  
Town: Hoyleton, IL  
**IFA Bond Amount:** \$280,000  
Use of Funds: Farmland –80 acres of farmland  
Purchase Price: \$560,000 / \$7,000 per acre  
% Borrower Equity 5%  
% IFA Bonds 50% (Bank Purchased Bond – Bank secured by 1<sup>st</sup> Mortgage)  
% USDA Farm Service Agency (“FSA”) 45% (*Subordinate Financing – 2<sup>nd</sup> Mortgage*)  
Township: Hoyleton(S)  
Counties/Regions: Washington / Southwestern  
Lender/Bond Purchase: Farmers State Bank of Hoffman / Travis Simpson  
**Legislative Districts:** Congressional: 15  
State Senate: 54  
State House: 108

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance thereof 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.

**B. Project Number:** 30404  
**Borrower(s):** Radke, Tanner J.  
Borrower Benefit: First Time Land Buyer  
Town: Newton, IL  
**IFA Bond Amount:** \$228,480  
Use of Funds: Farmland –80 acres of farmland  
Purchase Price: \$456,960 / \$5,712 per acre  
% Borrower Equity 0%  
% IFA Bonds 50% (Bank Purchased Bond – Bank secured by 1<sup>st</sup> Mortgage)  
% USDA Farm Service Agency (“FSA”) 50% (*Subordinate Financing – 2<sup>nd</sup> Mortgage*)  
Township: Crooked Creek  
Counties/Regions: Jasper /Southeastern  
Lender/Bond Purchase: The Peoples State Bank of Newton / Brian Bohnhoff  
**Legislative Districts:** Congressional: 15  
State Senate: 55  
State House: 109

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin on June 1, 2019. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on June 1, 2019 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**C. Project Number:** 30405  
**Borrower(s):** Collins, Levi & Libby  
Borrower Benefit: First Time Land Buyer  
Town: Mattoon, IL  
**IFA Bond Amount:** \$224,400  
Use of Funds: Farmland –80 acres of farmland  
Purchase Price: \$448,800 / \$5,610 per acre  
% Borrower Equity 0%  
% IFA Bonds 50% (Bank Purchased Bond – Bank secured by 1<sup>st</sup> Mortgage)  
% USDA Farm Service Agency (“FSA”) 50% (*Subordinate Financing – 2<sup>nd</sup> Mortgage*)  
Township: Crooked Creek  
Counties/Regions: Jasper /Southeastern  
Lender/Bond Purchase: The Peoples State Bank of Newton / Aaron Ochs



**Legislative Districts:** Congressional: 15  
State Senate: 55  
State House: 110

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin on June 1, 2019. Accrued interest on the unpaid balance thereof shall be paid annually, with the first interest payment date to begin on June 1, 2019 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**D. Project Number:** 30406  
**Borrower(s):** Kellerman, Justin K.  
Borrower Benefit: First Time Land Buyer  
Town: DuBois, IL  
**IFA Bond Amount:** \$74,700  
Use of Funds: Farmland –18 acres of farmland  
Purchase Price: \$74,700 / \$4,150 per acre  
% Borrower Equity 0%  
% IFA Bonds 100% (Bank Purchased Bond – Bank secured by 1<sup>st</sup> Mortgage)  
% USDA Farm Service Agency (“FSA”) 0% (*Subordinate Financing – 2<sup>nd</sup> Mortgage*)  
Township: Beacoup  
Counties/Regions: Perry /Southern  
Lender/Bond Purchase: Farmers Merchant Bank & Trust / Gary Zmudzinski  
**Legislative Districts:** Congressional: 15  
State Senate: 58  
State House: 115

Principal shall be paid annually in installments determined pursuant to a Twenty-five year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance thereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.



# NON-CONDUIT

**\$20,000**

**HERNON BLANCO & PEGGY CHAMARRO (DBA PSD PRINTING) (“BORROWERS”)**

PRODUCT TYPE : PARTICIPATION LOAN

May 8, 2018

<b>REQUEST</b>	<p>Rockford Local Development Corporation, (“RLDC”) is requesting that IFA invest \$20,000 in funds to be used by the Borrowers towards the purchase of real estate located at 2415/2421 North Court St., Rockford, IL 61103. The total cost of the real estate is \$190,000 plus \$2,000 in soft costs. The structure being has Midland State Bank (“MSB”) providing a First Mortgage Loan of \$152,000, supported by a RLDC Second Mortgage Loan for \$40,000, in which the Authority will participate 50%, (\$20,000). Currently the Borrowers lease 100% of the space now being purchased, however, as RLDC notes, the Borrower’s projected P&amp;I Loan payments would be on a par with what the Company now pays in rent.</p> <p>The current property owner wishes to sell the real estate, and the Borrowers are concerned that they might be forced to vacate the premises. They feel that, in buying the property, they will have more control of their work space and be better able to make modifications/additions to accommodate their expanding operations and expected growth in employment.</p> <p>IFA Funds at risk \$20,000</p> <p>Subject to all RLDC terms and conditions, including but not limited the subordination of the RLDC/IFA \$40,000 Loan to MSB’s exposure under its \$152,000 CRE Loan. Note, however, that RLDC and IFA will be pari passu relative to their joint Second Mortgage position.</p>												
<b>BOARD ACTIONS</b>	<p>Final Participation Loan Resolution Voting Record: None prior</p>												
<b>MATERIAL CHANGES</b>	N/A												
<b>JOB DATA</b>	<table border="0"> <tr> <td>3</td> <td>Current jobs</td> <td>2</td> <td>New jobs projected within next 2 years</td> </tr> <tr> <td>0</td> <td>Retained jobs</td> <td>TBD</td> <td>Construction jobs projected</td> </tr> </table>	3	Current jobs	2	New jobs projected within next 2 years	0	Retained jobs	TBD	Construction jobs projected				
3	Current jobs	2	New jobs projected within next 2 years										
0	Retained jobs	TBD	Construction jobs projected										
<b>BORROWER DESCRIPTION</b>	<ul style="list-style-type: none"> <li>•Hernon Blanco &amp; Peggy Chamarro (dba PSD Printing)</li> <li>• PSD Printing PSD Printing began as a re-sell business focusing on embroidered products, targeting Metro Chicago/Rockford markets where Hispanic restaurants and supermarkets were prevalent. They have since expanded their market area and product portfolio, to include various printing techniques. Products now include menus, caps, uniforms, signage, window decorations, and other commercial photography.</li> <li>• The purpose of this financing is to help finance the purchase of real estate that the Borrower is currently leasing. Borrowers need assistance because they have limited equity available to participate in purchasing the property. They’ve previously avoided use of a RLOC or term debt, and only used cash to purchase equipment/reinvest in the business, thus creating a current need for subordinate debt.</li> </ul>												
<b>CREDIT INDICATORS</b>	<p>Second Mortgage on the RE property at 2415/2421 North Court St., Rockford, IL 61103 First Priority Blanket Lien on all non-RE Business Assets of the Borrower, (i.e., machinery)</p>												
<b>PROPOSED STRUCTURE</b>	<p>-Rockford Local Development Corporation (“RLDC”) is the Participating Financial Institution. -Second Mtge on RE property at 2415/2421 North Court St, Rockford, IL 61103 -1st Priority Lien on all non-RE Business Assets of the Borrower, (incl. machinery) -10yr Amortization Schedule, 5 yr Initial Term, followed by 5 Yr Balloon at the end of Yr 5. -Blended/Weighted Rate 6.75% pa, fixed. RLDC Rate: 7.5% pa Fixed, IFA Rate: 6.0% pa Fixed</p>												
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td>• Midland States Bank Loan</td> <td>\$152,000</td> <td>Real Estate Purchase</td> <td><u>\$192,000</u></td> </tr> <tr> <td>• RLDC Loan (split \$20K each Between RLDC and IFA)</td> <td><u>\$40,000</u></td> <td></td> <td></td> </tr> <tr> <td><b>TOTAL SOURCES:</b></td> <td><b><u>\$192,000</u></b></td> <td><b>TOTAL USES</b></td> <td><b><u>\$192,000</u></b></td> </tr> </table>	• Midland States Bank Loan	\$152,000	Real Estate Purchase	<u>\$192,000</u>	• RLDC Loan (split \$20K each Between RLDC and IFA)	<u>\$40,000</u>			<b>TOTAL SOURCES:</b>	<b><u>\$192,000</u></b>	<b>TOTAL USES</b>	<b><u>\$192,000</u></b>
• Midland States Bank Loan	\$152,000	Real Estate Purchase	<u>\$192,000</u>										
• RLDC Loan (split \$20K each Between RLDC and IFA)	<u>\$40,000</u>												
<b>TOTAL SOURCES:</b>	<b><u>\$192,000</u></b>	<b>TOTAL USES</b>	<b><u>\$192,000</u></b>										
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.												

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
May 8, 2018**

**Project: Hernon Blanco & Peggy Chamarro (dba PSD Printing)**

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**STATISTICS**

Project Number: #38149 (Hernon Blanco & Peggy Chamarro (dba PSD Printing) Amount: \$20,000  
Type: Participation Loan IFA Staff: Stanley Luboff  
County/Region: Winnebago/Northern Stateline City: Rockford

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**BOARD ACTION**

**Participation Loan Resolution**      **Staff request:** Approval subject to bank conditions

**IFA Funds contributed:** \$20,000 (50% of Rockford Local Development Corporation \$40K Second Mortgage Loan)

**Extraordinary condition:** RLDC/IFA \$40K Loan is subordinated to \$152K First Mortgage CRE Loan from Midland States Bank, ("MSB"); however, RLDC and IFA will be pari passu with each other after satisfaction of MSB exposure. A Minority (Hispanic) entrepreneur owns the Borrower. Per Program Guidelines IFA's Interest Rate on its \$20K portion is set at 1.5% below the rate being charged by RLDC on its own portion.

**Credit Review Committee recommends approval.**

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**VOTING RECORD**

None. This is the first time the project has been considered.

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**PURPOSE**

Loan proceeds will be used by the Borrowers towards the purchase of real estate located at 2415/2421 North Court St., Rockford, IL

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**IFA PROGRAM AND CONTRIBUTION**

Under its Participation Loan Program, IFA participates in bank loans financing projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points below the originating bank's rate on its portion. (IFA Rate set at 1.5% below Participating Lender Rate when Borrower is Veteran, Minority, Female, or Disabled-owned. The Authority is subordinated to the bank's collateral position, and generally funds up to the lesser of 25% of a project's total cost, 50% of a specific loan facility within an overall project, or \$500,000, (contingent on no more than \$50,000 per FTE to be created within the next two years or "at risk" FTE retained). IFA's participation mitigates some of the bank's credit risk, and provides credit-disadvantaged borrowers with access to capital and a reduced interest rate.

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**VOLUME CAP**

Not Applicable

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Participation:	\$20,000	Uses:	Purchase of Building	<u>\$192,000</u>
	Rockford Local Development Corp.	\$20,000		(2415/2421 Court St. Rockford)	
	Midland States Bank	<u>\$152,000</u>			
	<b>Total:</b>	<b><u>\$192,000</u></b>		<b>Total:</b>	<b><u>\$192,000</u></b>

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### FINANCING SUMMARY/STRUCTURE

**Security:** The Loan will be secured by a Second Mortgage on the property at 2415/2421 Court St. Rockford, (recently appraised for \$210,000), and a First Priority Lien on all Business Assets of PSD Printing. RLDC/IFA \$40,000 Loan will be subordinated to MSB's exposure under its \$152,000 CRE Loan, however RLDC and IFA will be pari passu relative each other.

**Structure:** 5 year Loan Term with 60 monthly principal and interest payments, (based on a 10 year Amortization Schedule), followed by a 5 year Balloon at the end of Year 5.

**Interest Mode:** Fixed

**Maturity Estimated:** 5 Years

**Estimated Closing Date:** 06/01/18

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**Summary:** Borrowers are seeking approval for a \$40K CRE Term Loan, (to be split 50/50 between Rockford Development Corporation and IFA), to be used to complete the financing for the purchase of their current leased space at 2415/2421 North Court St., Rockford, IL. The current lessor/property owner wishes to sell the real estate in question, and the Borrowers are concerned that they might be forced to vacate the premises should some unaffiliated third party purchase it. They feel that, in buying the property, they will have more control of their work space and be better able to make modifications/ additions to accommodate their expanding operations and expected growth in employment. This 5-year loan, structured using a 10-year Amortization Schedule will bear a blended/weighted rate of 6.75% p.a. This loan is meant to supplement the \$152,000 CRE First Mortgage Loan being extended by Midland States Bank, ("MSB"). MSB is only willing to finance a maximum of 80% of the cost of the real estate being purchased.

#### Project

**Rationale:** PSD Printing is a growing Minority-owned company that has recently developed business outside of its target market of Hispanic restaurants and supermarkets, and has now expanded its customer base to virtually any business that has advertising needs. IFA participation in this project will help the company expand operations and add a minimum of two additional staff to meet demand. (Depending on future demand the company will add additional employees as needed.) Though the Company has been profitable over the past three years analyzed, they have limited equity available to invest in the purchase of the proposed the real estate. This is because, to date, they have only used cash to purchase equipment and reinvest in the business. Management has refrained from requesting any debt financing, (even to the extent that they have not sought access to a Working Capital Line of Credit), relying instead on personal credit cards and the reinvestment of funds generated from operations to purchase capital equipment. Thus, subordinate financing is required to supplement the 80% CRE Loan being provided by Midland States Bank.

**Timing:** The transaction is expected to close within 60 days of approval.

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### BUSINESS SUMMARY

Hernon Blanco & Peggy Chamarro operate PSD Printing, a business originally started by Blanco's father. Originally the company began as a re-sell business focusing on embroidered products, primarily targeting Hispanic restaurants and supermarkets in Metro Chicago locations that had a strong Hispanic presence. Due to their high quality results and customized service, the business grew rapidly. However, because management sensed that limiting themselves to the embroidery business was constraining, they decided to expand into new, but related revenue streams, leading them to invest in major capital equipment, including printers that allowed them to enter the screen printing market. Gradually screen printing became the main focus of PSD Printing, with embroidery occupying a lesser role. As their customer base continued expanding, requests arose for other related products, and so PSD Printing purchased digital printing equipment and started to produce menus, business decorations, and other products produced via digital methods. The company slowly expanded further into digital printing and embroidery, as well as wide format printing, though the pace of this growth was constrained by management's desire to avoid debt financing. Nonetheless, having multiple revenue streams has greatly aided the company in its expansion beyond Rockford, and even far beyond Illinois, (by use of broker/agents). Bottom Line: The Company's growing and strengthening revenue, and its history of durability despite

beginning operations at the height of the economic recession, is clear evidence of the dedication and drive that Blanco and Chamarro have for their business' success.

The Lender reports that they were “very impressed with the cleanliness of the building and quality of the equipment”.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Applicants:	Hernon Blanco & Peggy Chamarro (dba PSD Printing)		
Project Location:	2415/2421 North Court St. Rockford, IL 61103 (Winnebago County)		
Borrowers:	Hernon Blanco & Peggy Chamarro		
Ownership:	Hernon Blanco: 100% Owner, Peggy Chamarro (Wife/0% ownership, active in business)		

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Ander Smith Law Firm	Rockford	C. Ander Smith
Accountant:	N/A	---	---
Originating Lender:	Rockford Local Development Corp.	Rockford	Andrew Jury
General Contractor:	Not Applicable for this project	N/A	N/A

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**LEGISLATIVE DISTRICTS**

Congressional:	17
State Senate:	34
State House:	67

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**BACKGROUND INFORMATION:** PSD Printing began as a re-sell business focusing on embroidered products. The company targeted markets where Hispanic restaurants and supermarkets were prevalent in the Chicago area. The company is a sole proprietorship 100% owned by Hernan Blanco, though his wife Peggy Chamarro is also involved in all day to day operations of the business. The business quickly grew through word of mouth, as they were known as a high-quality custom embroidery supplier. The company then decided that to tap into additional revenue streams they acquired additional printing equipment and invested in other capital expenditures. In 2008, the company purchased a screen printing press. Although the company continued to sell embroidered apparel, the screen printing business began to see traction and became the focus of the business.

As PSD began to obtain a large customer base, it started to evolve its products and services with its clients' needs in mind. Due to customer requests they started expanding product offerings to meet client demand. They expanded the digital business and started to develop menus, business decoration and other digital needs. Since then the company has slowly acquired equipment for three types of products: digital printing, wide format printing and embroidery. Having multiple revenue streams in three separate categories has greatly aided the company by diversifying its reach into many more markets and potential customers. The company provides high quality products while offering businesses a complete array of products that are needed from menus, uniforms, signs, window decoration, commercial photography of their products for interior decoration, and all their digital printing needs. PSD prides itself on being a one-stop shelf for all client needs. The company has also recently grown its business outside of its target market of Hispanic restaurants and supermarkets, as now they have expanded are customer base to any business that has advertising needs.

Some of its customers in the Rockford area are Supermercado La Chiquita in Rockford and in the Chicago Area, Mexico Clasico, Dunkin Donuts, Lucha Cantina, ML Farm System and others. The company has brokers in Wisconsin, Alabama, Tennessee, Georgia and Florida. The business continues to gain customers by word of mouth, through email advertising, social media advertisement such as Facebook, and telemarketing. PSD Printing works closely with its providers to offer the highest quality products and very competitive prices. The company prides itself on manufacturing menus that are made from American made equipment, material and suppliers. The company has made it a point to purchase the best brands in equipment, so its customers are receiving the best quality. The company's commitment to quality has formed many long-term business relationships and is now seeking to grow the company. PSD Printing goal is to continue growing, generate employment and become a staple name for businesses in the Rockford Region.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 8, 2018

Re: Resolution Consenting to a New Rate, Indexed Put Rate Period and New Indexed Put Date for Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012 (Carmel Catholic High School) Pursuant to the Terms of the Indenture and Approving of the Reissuance of Said Bonds for Federal Income Tax Purposes  
IFA Series 2012 File Number: 12112

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### Request:

**Carmel Catholic High School**, an Illinois not-for-profit corporation (the “**Borrower**” or “**Carmel**”), and **Lake Forest Bank and Trust Company** (Wintrust Financial) (the “**Bank**” or “**Rate Calculation Agent**”) are requesting approval of a Resolution to (i) consent to a 6-month extension of the Initial Indexed Put Rate Period until December 1, 2027 and (ii) approve the execution and delivery of an IRS Form 8038 to effectuate and acknowledge the deemed reissuance of the Authority’s Variable Rate Revenue Bonds, Series 2012 (Carmel Catholic High School) (the “**Series 2012 Bonds**”) as the Borrower and Bank have agreed to waive application of certain provisions of the Continuing Covenant Agreement triggered by recent federal corporate tax rate changes (the “**Waiver**”).

The Series 2012 Bonds were purchased by Lake Forest Bank and Trust Company and closed as of July 10, 2012. The Series 2012 Bonds were issued in the original principal amount of \$17,000,000 and remain outstanding in full.

On January 13, 2015, the Authority approved a Supplemental Loan Agreement in connection with the Series 2012 Bonds to permit the Borrower to make the payments required under Section 4.1 of the Original Loan Agreement directly to Lake Forest Bank and Trust Company as Lake Forest Bank and Trust Company is the 100% owner of the Series 2012 Bonds.

On December 14, 2017, the Authority approved a First Supplemental Bond Trust Indenture between the Authority and U.S. Bank N.A., as bond trustee (the “**Trustee**”) to permit the Borrower to engage the Bank as its Rate Calculation Agent (instead of engaging a third party remarketing agent) to certify that the interest rate borne on the Series 2012 Bonds which would continue to allow the Series 2012 Bonds to be remarketed at par. This certification was required because the Borrower and Bank agreed to extend the Initial Indexed Put Rate Period by five years to July 1, 2027, as consented to by the Authority.

### Impact:

Approval of this Resolution will acknowledge the Waiver as agreed to by the Borrower and Bank concerning the Series 2012 Bonds. Specifically, the Borrower and Bank have agreed to enter into the Waiver as a result of recent federal corporate tax rate changes that would otherwise increase in the interest rate borne on the Series 2012 Bonds. This Waiver will constitute a deemed reissuance of the Series 2012 Bonds which the Authority will acknowledge through execution and delivery of a new IRS Form 8038. Bond counsel has determined that a new public hearing on the project (i.e., “**TEFRA Hearing**” as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be necessary.

Additionally, approval of this Resolution will provide consent to again extend the Initial Indexed Put Rate Period for an additional 6 months. As a result, the Series 2012 Bonds will bear a variable rate of interest based on LIBOR until December 1, 2027.

**Background:**

Proceeds of the Series 2012 Bonds were loaned to Carmel and used, together with certain other funds, to (i) current refund the outstanding principal amount of the Illinois Development Finance Authority Adjustable Rate Demand Revenue Bonds, Series 2003 (Carmel High School Project) (the “**Prior Bonds**”), (ii) pay or reimburse the Borrower for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain educational facilities of the Borrower including but not limited to renovations and add-on construction to create instructional space for the fine and performing arts and to create a new library (the “**Project**”); (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower; (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (v) provide working capital, if deemed necessary or advisable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2003 Bonds (and items (iii) – (vi) together with the “**Prior Bonds**” and the “**Project**” comprising the “**Financing Purposes**”).

All payments relating to the Series 2012 Bonds have been paid as scheduled.

**Recommendation:**

Staff recommends approval of the accompanying Resolution as presented.

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**PROFESSIONAL & FINANCIAL**

Bond Counsel:	Dentons US, LLP	St. Louis, MO	Karen Jordan
Bond Purchaser:	Lake Forest Bank & Trust Co. (Wintrust Financial)	Lake Forest, IL	Laura B. Crandall
Bank Counsel:	Dentons US, LLP	Chicago, IL	Mary G. Wilson
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Diana Hamilton Courtney Tobin

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**RESOLUTION 2018-0508-TE03**

**RESOLUTION CONSENTING TO A NEW RATE, INDEXED PUT RATE PERIOD AND NEW INDEXED PUT DATE FOR ILLINOIS FINANCE AUTHORITY VARIABLE RATE REVENUE BONDS, SERIES 2012 (CARMEL CATHOLIC HIGH SCHOOL) PURSUANT TO THE TERMS OF THE INDENTURE AND APPROVING OF THE REISSUANCE OF SAID BONDS FOR FEDERAL INCOME TAX PURPOSES**

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

**WHEREAS**, pursuant to and in accordance with the provisions of a Bond Trust Indenture dated as of July 1, 2012, as supplemented and amended by a First Supplemental Bond Trust Indenture dated as of December 1, 2017 (the “**Bond Indenture**”) between the Authority and **U.S. BANK NATIONAL ASSOCIATION**, as bond trustee, on July 10, 2012, the Authority issued its Variable Rate Revenue Bonds, Series 2012 (Carmel Catholic High School) (the “**Series 2012 Bonds**”) and loaned the proceeds thereof to **CARMEL CATHOLIC HIGH SCHOOL**, an Illinois not for profit corporation (the “**Borrower**”) pursuant to and in accordance with the provisions of a Loan Agreement dated as of July 1, 2012, as supplemented and amended by a First Supplemental Loan Agreement dated as of March 16, 2015 by and between the Authority and the Borrower; and

**WHEREAS**, the Series 2012 Bonds currently remain outstanding in the principal amount of \$17,000,000; and

**WHEREAS**, Lake Forest Bank and Trust Company ("**Lake Forest Bank and Trust**") owns 100% of the outstanding Series 2012 Bonds; and

**WHEREAS**, pursuant to the terms of a Continuing Covenant Agreement dated as of July 10, 2012 between the Borrower and Lake Forest Bank and Trust (the "**Continuing Covenant Agreement**"), the Borrower made certain covenants in connection with and as a condition to the Lake Forest Bank and Trust's purchase of the Series 2012 Bonds; and

**WHEREAS**, the Borrower has requested and Lake Forest Bank and Trust has agreed to waive application of certain provisions of the Continuing Covenant Agreement triggered by the recent corporate tax rate changes (the "**Waiver**"); and

**WHEREAS**, Dentons US LLP has advised that for federal income tax purposes, the Waiver will constitute a modification (within the meaning of U.S. Treasury Regulations §1.1001-3) of the terms of the Series 2012 Bonds that will result in a deemed sale or exchange and "reissuance" of the Series 2012 Bonds ; and

**WHEREAS**, pursuant to a Written Request (as such term is defined in the Bond Indenture) that has been previously provided to and is on file with the Authority, the Borrower has requested that Lake Forest Bank and Trust continue holding the Series 2012 Bonds following the Indexed Put Date on July 1, 2027; and

**WHEREAS**, pursuant to such Written Request and the requirements set forth in Section 3.01(f)(7)(D) of the Bond Indenture, the Borrower has proposed, and Lake Forest Bank and Trust has accepted, that the Series 2012 Bonds continue to bear interest at the LIBOR Index Rate as defined in Section 1.01 of the Indenture and the new Indexed Put Date be December 1, 2027; and

**WHEREAS**, pursuant to the requirements set forth in Section 3.01(f)(7)(D) of the Bond Indenture, Wintrust Bank, as Rate Calculation Agent, has delivered a certificate (the "**Certificate of Rate Calculation Agent**"), a copy of which has been previously provided to and is on file with the Authority, confirming that the proposed interest rate on the Series 2012 Bonds stated therein is an interest rate on the Bonds which permits the Bonds to be remarketed at par; and

**WHEREAS**, Section 3.01(f)(7)(D) of the Bond Indenture requires that the governing body of the Authority consent to the new interest rate, the length of the new Indexed Put Rate Period and the new Indexed Put Date.

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

**Section 1. Acknowledgment of Reissuance.** The Authority does hereby acknowledge the reissuance of the Series 2012 Bonds and does hereby authorize and approve the execution by its Chairperson, Vice Chairperson or Executive Director and the delivery and use of an IRS Form 8038 in connection with the reissuance.

**Section 2. Further Acts.** The Chairman, Secretary, Assistant Secretary and Executive Director are authorized to sign all necessary documents on behalf of the Authority to comply with the requirements of this Resolution.

**Section 3.** The execution and delivery of the IRS Form 8038 by any officer of the Authority as authorized in Section 1 above is expressly conditioned upon the delivery of an Opinion of Bond Counsel



(as defined in the Bond Indenture) that the Waiver will not adversely affect the exclusion from federal gross income of interest on the Series 2012 Bonds.

**Section 4. Consent to New Interest Rate, the Length of the New Indexed Put Rate Period and the New Indexed Put Date.** As required by Section 3.01(f)(7)(D) of the Bond Indenture and relying solely on the Rate Calculation Certificate, the Authority hereby consents to the new interest rate, the length of the new Indexed Put Rate Period and the new Indexed Put Date.

**Section 5. Ratification of Acts.** All of the acts and doings of the members, officials, officers, 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 6. 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 7. Effective Date.** This Resolution shall take effect immediately upon its adoption, and any provisions of any previous resolutions in conflict with the provisions hereof are hereby superseded. .

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 8, 2018

Re: Resolution Authorizing the Issuance of not to exceed \$46,100,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2018 (Chicago Symphony Orchestra); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters  
IDFA Series 1994 File Number: 10311  
IFA Series 2018 File Number: 12424

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### Request:

**Chicago Symphony Orchestra**, an Illinois not-for-profit corporation (the “CSO”, the “Corporation” or the “Borrower”) and **The Northern Trust Company**, an Illinois state banking corporation (together with its permitted successors and assigns, the “Bond Purchaser” or the “Bank”), are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement, and related documents to effectuate the refinancing of certain amounts borrowed by the Corporation in connection with the Illinois Development Finance Authority Adjustable Rate Demand Revenue Bonds, Series 1994 (the “Series 1994 Bonds” or the “Prior Bonds”).

The Series 1994 Bonds were issued in the original aggregate principal amount of \$50,000,000, of which \$46,100,000 remained outstanding as of April 1, 2017. On March 29, 2018, the Corporation exercised an option to call and optionally redeem \$3,900,000 of the Prior Bonds effective as of May 1, 2018, which would reduce the outstanding principal balance from \$50,000,000 to \$46,100,000. The Prior Bonds are currently secured by a Direct Pay Letter of Credit (“LOC”) from The Northern Trust Company, which would otherwise be scheduled to expire as of June 30, 2018.

It is anticipated that The Northern Trust Company will purchase the planned Series 2018 Revenue Refunding Bond to be issued by the Authority in an expected amount of \$46,100,000 which will fully fund redemption of the Prior Bonds and pay costs of issuance. This transaction will be considered a refunding for tax purposes. Bond counsel has determined that a new public hearing on the project (i.e., a “TEFRA Hearing” as defined under the Internal Revenue Code of 1986, as amended) will not be necessary, however.

### Impact:

Adoption of the accompanying Resolution will enable the Borrower to switch from a LOC-secured structure to a new Bank Direct-Purchase bond structure, thereby minimizing future LOC-pricing risk. The Northern Trust Company will remain the primarily relationship lender for the CSO. As contemplated, the Series 2018 Revenue Refunding Bond will bear interest at a variable rate based on a LIBOR interest rate (or an alternate method or rate comparable to the LIBOR-based rate in effect prior to its replacement or unavailability) for a term of 10 years (which would coincide with the existing final 12/1/2028 final maturity date on the Series 1994 Bonds).

### Background:

Proceeds of the IDFA Series 1994 Bonds were loaned to the Chicago Symphony Orchestra and were used to (a) finance and be reimbursed for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain and existing facilities constituting an “industrial project” as defined under the Illinois Development Finance Authority Act (the “Series 1994 Project”), and (b) pay certain costs relating to the issuance of the Series 1994 Bonds, including the credit enhancement thereof. All scheduled payments relating to the Prior Bonds were current as of 4/1/2018 and have been paid as scheduled.

**Note: The Resolution is presented beginning on p. 6 of this memorandum (and follows the listing of professionals and the CSO board member listing on pp. 2-5).**

**Recommendation:**

IFA staff and the Credit Review Committee recommend approval of the accompanying Resolution as presented.

Note regarding Resolution parameters: although the Resolution provides for a not-to-exceed amount of \$50,000,000 and a maximum 15-year maturity, the Resolution merely specifies maximum not-to-exceed parameters, the CSO and Bank anticipate (i) a \$46,100,000 issuance amount and (ii) retaining the existing 12/1/2028 final maturity date in effect with the outstanding Series 1994 Bonds. As a matter of general practice, bond counsel recommend specifying broader parameters in Resolutions as an abundance of caution in the event modifications in the anticipated transaction amount or terms are deemed necessary or desirable (and also credit-approved by the Bond Purchaser or bank, as applicable).

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**PROFESSIONAL & FINANCIAL**

Borrower's Advisor:	Columbia Capital Management, LLC	Chicago, IL	Courtney Shea, David Abel
Borrower's Counsel:	Mayer Brown LLP	Chicago, IL	Joanna Horsnail Jeromy Cannon
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Leslie Cornell
Bond Purchaser:	The Northern Trust Company	Chicago, IL	
Bank Counsel:	Dentons LLP	Chicago, IL	Mary Wilson
Filing Agent:	Amalgamated Bank of Chicago	Chicago, IL	Michele Martello
Exiting Direct Pay LOC			
Provider:	The Northern Trust Company	Chicago, IL	
Exiting Trustee:	BNY Mellon	Chicago, IL	Kathy Cokic
Exiting Remarketing			
Agent:	BofA Merrill Lynch	New York, NY	
IFA Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	Heather Erickson
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Siamac Afshar

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Berlin Lecturer, University of Chicago School of Law  
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**RESOLUTION 2018-0508-TE04**

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$50,000,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2018 (CHICAGO SYMPHONY ORCHESTRA); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (as supplemented and amended, the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "projects" (as such term is defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, the Illinois Development Finance Authority (a predecessor to the Authority) has heretofore issued its Variable/Fixed Rate Demand Revenue Bonds, Series 1994 (Chicago Symphony Orchestra Project) (the "Series 1994 Bonds") in the original aggregate principal amount of \$50,000,000, and loaned such proceeds of the Series 1994 Bonds to Chicago Symphony Orchestra, an Illinois not for profit corporation (the "Corporation"); and

WHEREAS, the Corporation used proceeds of the Series 1994 Bonds to finance the acquisition, construction, refurbishment, installation and equipping of certain new and existing facilities, all constituting an "industrial project," as defined in a predecessor to the Act; and

WHEREAS, the Corporation has requested that the Authority issue its Revenue Refunding Bond, Series 2018 (Chicago Symphony Orchestra), in a principal amount not to exceed \$50,000,000 (the "Series 2018 Bond"), and loan the proceeds from the sale thereof to the Corporation pursuant to a Bond and Loan Agreement (the "Bond and Loan Agreement") among the Authority, the Corporation and The Northern Trust Company (the "Purchaser"); and

WHEREAS, the Corporation will apply the proceeds from the sale of the Series 2018 Bond to refund and redeem all of the outstanding Series 1994 Bonds (the "Financing Purposes"); and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to issue the Series 2018 Bond and loan the proceeds from the sale thereof to the Corporation pursuant to the Bond and Loan Agreement in order to carry out the Financing Purposes; and

WHEREAS, the Series 2018 Bond and the obligation to pay principal, premium, if any, and interest thereon will be special, limited obligations of the Authority, payable solely out of the revenues and income derived from the Bond and Loan Agreement; the Series 2018 Bond and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness, a general or moral obligation, or a pledge of the full faith and credit of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the Purchaser nor any future owner of the Series 2018 Bond shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal or purchase price of,

premium, if any, or interest on the Series 2018 Bond; and no recourse shall be had for the payment of the principal of, premium, if any, and interest on the Series 2018 Bond or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond and Loan Agreement against any past, present or future member, officer, agent or employee of the Authority, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise; and

WHEREAS, in connection with the issuance of the Series 2018 Bond, the Corporation and the Purchaser will execute and deliver a Continuing Covenant Agreement containing, among other provisions, certain additional covenants to be made by the Corporation to the Purchaser; and

WHEREAS, in connection with the issuance of the Series 2018 Bond, it is now necessary and proper to authorize the execution and delivery of (i) the Bond and Loan Agreement, (ii) the Filing Agent Agreement (as hereinafter defined), (iii) a Tax Exemption Certificate and Agreement (the "Tax Agreement" and, collectively with the Bond and Loan Agreement and the Filing Agent Agreement, the "Authority Documents") between the Authority and the Corporation and (iv) the Other Documents (as hereinafter defined); and

WHEREAS, the Authority has caused to be prepared and presented to its members a form of the Bond and Loan Agreement, including the form of Series 2018 Bond attached thereto as Exhibit A;

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

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

*Section 2. Findings.* That based upon the representations of the Corporation, the Authority hereby makes the following findings and determinations with respect to the Corporation, the Series 2018 Bond to be issued by the Authority and the facilities to be refinanced with the proceeds of the Series 2018 Bond:

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

(b) The Corporation is a "cultural institution" (as defined in the Act);

(c) The Corporation has properly filed with the Authority its request for assistance in providing funds to the Corporation and the funds will be used for the Financing Purposes, and the facilities refinanced with the proceeds of the Series 2018 Bond are owned and operated by the Corporation and such facilities are included within the term "project" as defined in the Act;

(d) The Series 1994 Bonds to be refinanced with the proceeds of the Series 2018 Bond were issued for purposes which constitute valid purposes under the Act; all of the proceeds of such indebtedness made available to the Corporation were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "project" (as defined in the Act) owned or operated by the Corporation; and such refinancing is in the public interest, and is permitted and authorized under the Act; and



(e) The Series 2018 Bond is being issued for a valid purpose under and in accordance with the provisions of the Act.

*Section 3. Approval of Financing.* That issuance of the Series 2018 Bond and the use of the proceeds from the sale thereof to carry out the Financing Purposes, in accordance with the terms of the Bond and Loan Agreement, is hereby authorized and approved and is in furtherance of the public purposes set forth in the Act.

*Section 4. Series 2018 Bond.* That, in order to provide funds to carry out the Financing Purposes, the Authority hereby authorizes and approves the issuance of the Series 2018 Bond, to be designated the "Illinois Finance Authority Revenue Refunding Bond, Series 2018 (Chicago Symphony Orchestra)." The total principal amount of the Series 2018 Bond that may be outstanding shall not exceed \$50,000,000; that the form of Series 2018 Bond now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond and Loan Agreement be, and the same hereby are, approved; that the Series 2018 Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of 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) and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, Vice Chairman, Executive Director or any other officer of the Authority shall cause the Series 2018 Bond, as so executed and attested, to be delivered to the Purchaser under the Bond and Loan Agreement, for authentication; and that when the Series 2018 Bond is executed on behalf of the Authority in the manner contemplated by the Bond and Loan Agreement and this Resolution, it shall represent the approved form of the Series 2018 Bond; *provided* that (i) the Series 2018 Bond will bear interest at variable rates or fixed rates as described in the Bond and Loan Agreement (with an initial variable rate not to exceed 5.00% per annum) subject to adjustment, as provided for and pursuant to the Bond and Loan Agreement, (ii) the Series 2018 Bond shall be payable over a term not exceeding fifteen (15) years from the date of issuance and (iii) the Series 2018 Bond shall be privately placed with the Purchaser.

The interest rate on the Series 2018 Bond may be subject to adjustment to (i) a higher rate per annum upon the occurrence of an Event of Default, as further described in the Bond and Loan Agreement, or (ii) a taxable rate after the occurrence of a Determination of Taxability, as defined and further described in the Bond and Loan Agreement.

The Authority hereby authorizes each of the Chairman, Vice Chairman, Executive Director, General Counsel or any Assistant Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority (each, an "Authorized Officer") to make a final determination as to the principal amount, interest rates, maturities, mandatory sinking fund redemption dates and amounts (if any), optional and extraordinary redemption provisions (if any), and uses of the proceeds from the sale of the Series 2018 Bond. The execution by an Authorized Officer of the Bond and Loan Agreement shall constitute such Authorized Officer's approval and the Authority's approval of the final terms and provisions of the Series 2018 Bond.

The Series 2018 Bond, including the interest and any redemption premium payable thereon, shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2018 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds from the sale of the Series 2018 Bond, (ii) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement (except

pursuant to Unassigned Rights), (iii) other amounts available under the Bond and Loan Agreement and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

*Section 5. Bond and Loan Agreement.* That the Authority is hereby authorized to enter into the Bond and Loan Agreement with the Corporation and the Purchaser; that the form, terms and provisions of the Bond and Loan Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Bond and Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond and Loan Agreement to be delivered to the Corporation, such Bond and Loan Agreement (as executed) to provide for the loan of the proceeds from the sale of the Series 2018 Bond to the Corporation and the use of such proceeds to carry out the Financing Purposes, in the manner and with the effect therein provided; that the Bond and Loan Agreement shall be in substantially the same form previously provided to and on file with the Authority and hereby approved, or with such changes therein as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from such form of the Bond and Loan Agreement; that when the Bond and Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Bond and Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Bond and Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Bond and Loan Agreement as executed; and that the Bond and Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Bond and Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

*Section 6. Tax Agreement.* That the Authority is hereby authorized to enter into the Tax Agreement with the Corporation in the form to be approved by bond counsel, by counsel for the Corporation and by counsel to the Authority; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as herein provided, the Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Tax Agreement as executed.

*Section 7. Filing Agent Agreement.* That the Authority is hereby authorized to enter into the Filing Agent Agreement (the "Filing Agent Agreement") with the Corporation and Amalgamated Bank of Chicago, as the Filing Agent; that the form, terms and provisions of the Filing Agent Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Filing Agent Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Filing Agent Agreement to be delivered to the Corporation and the Filing Agent; that the Filing Agent Agreement shall be in substantially the same form now before the Authority or with such changes as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from the form of the Filing Agent Agreement now before the Authority; that when the Filing

Agent Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Filing Agent Agreement will be binding on the Authority; that from and after the execution and delivery of the Filing Agent Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Filing Agent Agreement as executed; and that the Filing Agent Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Filing Agent Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

*Section 8. Other Documents.* That the Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority, including but not limited to, any supplemental indentures or escrow deposit agreements relating to the refunding of the Series 1994 Bonds, or any other documentation necessary to effect the Financing Purposes (collectively, the “Other Documents”), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the Corporation and the Purchaser and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, the issuance and sale of the Series 2018 Bond and the Financing Purposes and/or the execution, delivery and performance of the Authority Documents and the Other Documents; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

*Section 9. Private Placement; Investment Letter; Restrictions on Transfers.* That the Authority hereby authorizes the issuance and sale of the Series 2018 Bond to the Purchaser on a private placement basis pursuant to the Bond and Loan Agreement; that the Purchaser shall deliver an investment letter to the Authority (in the form approved by counsel to the Authority and consistent with the Authority’s Bond Program Handbook) stating, among other things, that the Purchaser is either an institutional “accredited investor” within the meaning of Regulation D, Sections 501 through 506, or a “qualified institutional buyer” within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and that the Bond and Loan Agreement shall contain such restrictions, as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the Series 2018 Bond by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Series 2018 Bond.

*Section 10. Conditions to Effectiveness.* That the approvals granted by the Authority pursuant to this Resolution are subject to the Authority Documents and any other document required to carry out and comply with this Resolution being in full conformance with the requirements of the Authority (including the Authority’s Bond Program Handbook), except as expressly approved by counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer’s execution and delivery of such documents.

*Section 11. Other Acts.* That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

*Section 12. Severability.* That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

*Section 13. No Conflict.* That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

*Section 14. Effective Date.* That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 8, 2018

Re: Resolution Authorizing the Execution and Delivery of the First Amendment to the Bond and Loan Agreement Executed in Connection with the \$58,000,000 Illinois Finance Authority Revenue Bond, Series 2017 (Cantigny Foundation Project), to Provide for Certain Amendments Relating to the Interest Rate Calculations and Certain Other Matters; Authorizing the Execution and Delivery of Any Other Documents Necessary and Appropriate to Effect the Matters Set Forth in such First Amendment; and Authorizing and Approving Related Matters  
IFA Series 2017 File Number: 12408

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### Request:

**Cantigny Foundation**, an Illinois not-for-profit corporation (the “**Borrower**”, “**Cantigny**”, or the “**Foundation**”) and **MB Financial Bank, N.A.** (the “**Bond Purchaser**” or the “**Bank**”), are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to the Bond and Loan Agreement in order to provide certain amendments to the interest rate formula in order to simplify the calculation of the interest rate formula with no intent to materially change in the interest rate on the Series 2017 Bond.

### Impact:

The Resolution will amend the interest rate computation formula that is used to determine the applicable interest rate on the Series 2017 Bond. The Borrower and MB Financial Bank have requested consideration of the attached Resolution that will amend (and simplify) the interest rate computation formula, with no intent to materially change the interest rate on the Series 2017 Bond.

According to Bond Counsel, the subject First Amendment (i) will not materially change the interest rate, (ii) will not result in a reissuance for tax purposes, (iii) will not require a TEFRA Hearing Notice, and (iv) will not require the delivery of a legal opinion from the Authority’s external counsel on this matter.

### Background:

The Series 2017 Bond was issued in the aggregate principal amount of \$58,000,000 in December 2017. The Series 2017 Bond provided for a draw-down structure, under which Cantigny would be authorized to undertake draws to undertake various projects on its campus anticipated over approximately the next 6 years. The improvements included various capital improvement projects in connection located on the Cantigny Park campus located at 1s151 Winfield Road, Wheaton (DuPage County), Illinois. Bond proceeds are to be used by the Foundation to finance or reimburse all or a portion of the costs of planning, design, acquisition, construction, renovation, improvement, expansion, and equipping of its facilities and site, including (i) the First Division Museum; (ii) the Robert R. McCormick House Museum and facilities, and (iii) improvements at Cantigny Park including construction or renovation and equipping of pavilions, restrooms, construction of a playground, improvements of the ponds, gardens, picnic areas, and landscaping, stormwater management and site, parking lot, and lighting improvements.

### Recommendation:

Staff recommends approval of the accompanying Resolution (see pp. 2-4) as presented.

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**BOARD OF TRUSTEES**

Board Membership: *Board of Trustees – Cantigny Foundation (Note: the same 5 board members also comprise the Board of the Robert R. McCormick Foundation, which together with the Cantigny Foundation comprise a consolidated financial reporting entity)*

- Dennis FitzSimons – Chairman
- John Madigan
- Ruthelilyn Musil
- Scott Smith
- Don Wycliff

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**PROFESSIONAL & FINANCIAL**

Borrower’s Counsel:	Quarles & Brady LLP	Chicago, IL	John Vail
Auditor:	GrantThornton LLP	Chicago, IL	
Bond Counsel:	Quarles & Brady LLP	Milwaukee, WI	Liz Blutstein
Purchasing Bank:	MB Financial Bank	Rosemont, IL	John Sarris,
		Chicago, IL	Jessica Redman
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson.
			Katharine Gale
First Division Museum			
Design:	Luci Creative	Lincolnwood, IL	A.J. Goehle
Architect:	Sasaki Associates, Inc.	Watertown, MA	
General Contractor:	Pepper Construction	Barrington, IL	Lance Tritsch
IFA Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder,
			Mark Huddle,
			Austin Root
IFA Financial Advisor:	Sycamore Advisors LLC	Indianapolis, IN	Diana Hamilton
		Chicago, IL	Olyvia Jarmoszka

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**VOTING RECORD – FINAL BOND RESOLUTION – SEPTEMBER 14, 2017**

Yeas: 11  
Nays: 0  
Present: 0  
Abstentions: 0  
Vacancy: 1

Excused Absences: 3 (Obernagel, Poole, Zeller)

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**RESOLUTION 2018-0508-TE05**

**RESOLUTION** Authorizing the Execution and Delivery of the First Amendment to the Bond and Loan Agreement Executed in Connection with the \$58,000,000 Illinois Finance Authority Revenue Bond, Series 2017 (Cantigny Foundation Project), to Provide for Certain Amendments Relating to the Interest Rate Calculations and Certain Other Matters; Authorizing the Execution and Delivery of Any Other Documents Necessary and Appropriate to Effect the Matters Set Forth in such First Amendment; and Authorizing and Approving Related Matters.

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

**WHEREAS**, the Authority has previously issued its \$58,000,000 Revenue Bond, Series 2017 (Cantigny Foundation Project) (the “Series 2017 Bond”) and loaned the proceeds thereof to Cantigny Foundation, an Illinois

not for profit corporation (the “Borrower”), in order to assist the Borrower in providing the funds necessary to (i) finance, or reimburse the Borrower, for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of the facilities and site, including without limitation improvements to Cantigny Park, McCormick House and the First Division Museum, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2017 Bond, all as permitted under the Act (collectively, the “Financing Purposes”); and

**WHEREAS**, the Authority, the Borrower and MB Financial Bank, N.A. (the “Purchaser”) entered into a Bond and Loan Agreement dated as of December 1, 2017 (the “Indenture”) providing for the issuance thereunder of the Series 2017 Bond and the loan of the proceeds of the Series 2017 Bond to the Borrower and setting forth the terms and provisions applicable to the Series 2017 Bond, including the pledge of the revenues from the Borrower as security for the Series 2017 Bond and the Authority’s rights in and to the Indenture; and

**WHEREAS**, the Series 2017 Bond currently bears interest at a variable rate determined pursuant to an interest rate formula set forth in the Indenture; and

**WHEREAS**, the Borrower and the Purchaser have proposed certain amendments to the interest rate formula in order to simplify the calculation with no intent to materially change the interest rate on the Series 2017 Bond; and

**WHEREAS**, there has been provided to the Authority the First Amendment to Bond and Loan Agreement (the “Amendment”) to effect the amendments to the Indenture.

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

**Section 1. Findings.** Based solely on the representations made by the Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrower, the Series 2017 Bond issued by the Authority and the facilities to be financed or refinanced with the proceeds of the Series 2017 Bond:

- (a) The Borrower is an Illinois not-for-profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;
- (b) The Borrower has properly filed with the Authority its request for assistance in providing funds to the Borrower which the Borrower will use for the purposes aforesaid;
- (c) The facilities to be financed or refinanced with the proceeds of the Series 2017 Bond do not include any property used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other professional persons in the field of religion; and
- (d) The Series 2017 Bond was issued for a valid purpose under and in accordance with the provisions of the Act.

**Section 2. Amendment.** The Authority does hereby approve the amendments and authorizes and approves the execution (by manual or facsimile signature) by an Authorized Officer (as defined below) of the Amendment. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Amendment. The Amendment shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person’s approval and the Authority’s approval of any changes or revisions therein from such form of the Amendment to constitute conclusive evidence of such person’s approval and the Authority’s approval of the terms of the Amendment for the Series 2017 Bond. The Authority hereby delegates to the Chairperson, Vice Chairperson, Executive Director, General Counsel or any person duly appointed by the Members to serve in such offices on an interim basis (each, an “Authorized Officer”), the power and duty to make the final determination as to the amendments to the interest rate formula set forth in the Amendment, all within the parameters set forth herein.

**Section 3. Limited Obligation.** Except as otherwise set forth in the Amendment, the Indenture shall remain in full force and effect and there shall no change to the pledge or security for the Series 2017 Bond. The Series 2017 Bond and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Indenture (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Indenture)). The Series 2017 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2017 Bond, (ii) the income and revenues derived by

the Authority pursuant to the Indenture and the Series 2017 Bond and other amounts available under the Indenture and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

**Section 4. Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, the Indenture and the Amendment, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Indenture or Amendment or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer of the Authority, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Indenture.

**Section 5. Severability.** The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

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



# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 8, 2018

Re: Resolution Authorizing Execution and Delivery of a Second Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants in Connection with the Illinois Development Finance Authority, as predecessor to Illinois Finance Authority, \$9,765,000 Original Principal Amount Variable Rate Demand Affordable Housing Revenue Bonds, Series 1997 (Cinnamon Lake Towers Project); and Related Matters  
IDFA/IFA File Number: 1551-HB

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### **Background:**

In October 1997, the Illinois Development Finance Authority (IDFA; a predecessor of the Illinois Finance Authority) issued \$9,765,000 of Affordable Housing Revenue Bonds, Series 1997.

Proceeds of the Series 1997 Bonds were combined with equity generated from the sale of 4% Low Income Housing Tax Credits and owner equity to finance the acquisition and substantial rehabilitation of the 274-unit Cinnamon Lake Towers rental housing project located at 2701 Glen Flora, Waukegan (Lake County), Illinois (**Cinnamon Lake Tower Project**; or the “**Project**”). The Project was originally constructed in 1980. Unlike most IFA (IDFA) affordable housing bond projects, however, the Project has also had tenant-based HUD Section 8 Housing Assistance Payment contracts (the “HAP Contracts”) on 115 of the 274 units in place through the life of the Series 1997 Bonds.

### **The 1997/2007 Regulatory Agreement (IFA/Project Owner/Bond Trustee):**

As is customary with all tax-exempt bond financed projects, the 1997 bond documents included a three-party **Regulatory Agreement and Declaration of Restrictive Covenants** (the “**1997 Regulatory Agreement**”) between (i) IDFA (succeeded in interest by IFA), (ii) Lake Towers Associates II, an Illinois limited partnership (the current project owner or “Existing Owner”), and (iii) Bank of New York, as Bond Trustee. (The Regulatory Agreement assures that a minimum specified number of units in the Project will be leased to income-eligible tenants (adjusted for family size).)

- In September 2007, the 1997 Regulatory Agreement was amended pursuant to An Amended and Restated Regulatory Agreement (the “**First Amended Regulatory Agreement**” or the “**Existing Regulatory Agreement**”), which was a change necessitated when the Existing Owner changed the provider and form of Credit Enhancement securing the Series 1997 Bonds.
  - More specifically, the Existing Owner switched from a Direct Pay Letter of Credit (from JP Morgan Chase Bank) to a Federal Home Loan Mortgage Corporation (“Freddie Mac”) credit facility.
  - The ongoing Borrower compliance requirements continued, however, essentially unchanged.

### **Concept of “Qualified Project Period” for any Project Regulatory Agreement**

As with any affordable rental housing project that (i) is financed with tax-exempt bonds or (ii) equity derived from the syndication of Low Income Housing Tax Credits, or (iii) receives contractual unit-based HUD Housing Assistance Payments (i.e., HAP Contract subsidies), the Regulatory Agreement shall remain in effect until the end of the “**Qualified Project Period**”.

**Customary terms contained in essentially all Regulatory Agreements (including the Existing Regulatory Agreement) specify that the Qualified Project Period will not expire until the latest date on which one of the following three events occur:**

1. 15 years after the date on which the Project first attains 50% occupancy (the “15-year Test”).
  - *Given that the Project was an existing Project that was to be substantially rehabilitated; this 15-year period had expired by 2013.*
2. The first date on which no principal balance of the IDFA Series 1997 Bonds is outstanding.
  - *This is expected to occur upon sale of the Property by the Existing Owner to the Successor Owner. The Existing Owner is expected to apply proceeds of the sale to redeem the IDFA (IFA) Series 1997 Bonds in full.*
3. The date on which any assistance provided with respect to specified units of the Project under Section 8 of the Housing Act (e.g., the HAP Contracts) terminates.
  - *Notwithstanding the proposed payment in full of the Series 1997 Bonds, because the Project will remain subject to the HAP Contracts, the Existing Regulatory Agreement will, by its terms, remain outstanding (and until the HAP Contracts on the Property terminate).*
  - *The underlying HAP Contracts on the Project are subject (prospectively) to further extension by the U.S. Department of Housing and Urban Development assuming the Section 8 HAP Program continues to be funded in the future annual federal budgets. (The existing HAP Contracts on the Project continue until 2020.)*

**Request – For IFA to Enter into a Second Amended and Restated Regulatory Agreement to Enable the Successor Owner to Assume the Existing Owner’s Obligations under the Existing Regulatory Agreement:**

The Existing Owner of the Project (Lake Towers Associates II, an Illinois limited partnership) is proposing to sell the Project to a successor owner (**Cinnamon Lake Towers Associates, LP**, an Illinois limited partnership; the “**Successor Owner**”).

Because the Successor Owner will be assuming the Existing Owner’s obligations under the Existing Regulatory Agreement, it is necessary for the Successor Owner, the Authority, and the Bond Trustee to enter into a Second Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the “**Second Amended Regulatory Agreement**”).

The Second Amended Regulatory Agreement will also (i) release the Existing Owner from the Existing Regulatory Agreement (ii) provide for the consent of the Authority to the sale of the property, and (iii) provide for consent of the Bond Trustee. (Note: Zions Bank will be replacing BNY Mellon as a party to this Second Amended Regulatory Agreement upon sale of the Project to the Successor Owner.)

**Key terms in the Second Amended Regulatory Agreement with the Successor Owner:**

The Second Amended Regulatory Agreement will provide that the Successor Owner provide the Authority with all the standard indemnification provisions that would be provided by the Existing Owner pursuant to the Loan Agreement.

Representatives of the Successor Owner have consented to including these indemnification provisions in the Second Amended Regulatory Agreement.

Additionally, the Authority will be charging the Successor Owner a fee (amount to be determined as of 5/2/2018) at closing in consideration for IFA’s ongoing contractual obligation in connection with the Second Amended Regulatory Agreement.

Finally, we also understand that the Successor Owner will be financing their acquisition and rehabilitation of the Project with a new tax-exempt bond issue supplemented with equity generated from the syndication of 4% Low Income Housing Tax Credits. Consequently, the Successor Owner will also be executing a separate 2018 Regulatory Agreement (with substantially the same requirements as the Second Amended Regulatory Agreement) in connection with the new Upper Illinois River Valley Development Authority Series 2018 Bonds and the 4% LIHTC

financing. IFA will not be a party to the new, 2018 Regulatory Agreement (which will be between the Successor Owner, the local issuer, and Zions Bank, as Bond Trustee on the Series 2018 Bonds).

**Recommendation:**

IFA staff recommends approval of the accompanying Resolution as presented.

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**ECONOMIC DISCLOSURE STATEMENT**

**Primary Contact Information:**

**Existing Owner - Cinnamon Lake Towers Project:** Lake Towers Associates II, an Illinois limited partnership, c/o Mr. Dennis R. Egidi, DRE, Inc., 800 S. Milwaukee Ave., Suite 179, Libertyville, IL 60048

**Successor Owner – Cinnamon Lake Towers Project:** Cinnamon Lake Towers Associates, LP, an Illinois limited partnership, c/o Mr. Barry L. Weinstein, Synergic, Inc., 707 Skokie Blvd., Suite 100, Northbrook, IL 60062 (Counsel to the Successor Owner/Purchaser is identified below)

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**PROFESSIONAL & FINANCIAL**

Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Counsel to Purchaser:	Sugar Felsenthal Grais & Helsing LLP	Chicago, IL	Henry Krasnow
Tax Counsel to Purchaser:	Sugar Felsenthal Grais & Helsing LLP	Chicago, IL	Doug Antonio
Successor Trustee on Second Amended Regulatory Agreement:	ZB, National Association d/b/a Zions Bank (Zions Bank is also the new UIRVDA Series 2018 Bond Trustee)	Chicago, IL	Daryl Pomykala
Existing Bond Trustee under 1997 Reg. Agrmt.:	U.S. Bank, N.A.	Chicago, IL	
IFA Counsel:	Kutak Rock LLP	Chicago, IL	Kevin Barney

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**RESOLUTION 2018-0508-TE06**

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF A SECOND AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS IN CONNECTION WITH THE ILLINOIS FINANCE AUTHORITY \$9,765,000 ORIGINAL PRINCIPAL AMOUNT VARIABLE RATE DEMAND AFFORDABLE HOUSING REVENUE BONDS, SERIES 1997 (CINNAMON LAKE TOWERS PROJECT); AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “Authority”), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the “Act”), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition and improvement of “industrial projects” as defined in the Act; and

WHEREAS, Lake Towers Associates II Limited Partnership, an Illinois limited partnership (the “Existing Owner”), entered into a Loan Agreement dated as of October 1, 1997 with the Illinois Development Finance

Authority, a predecessor to the Authority (hereinafter also referred to as the “Authority”), under which proceeds of the Authority’s \$9,765,000 original principal amount Variable Rate Demand Affordable Housing Revenue Bonds, Series 1997 (Cinnamon Lake Towers Project) (the “Bonds”) were loaned to the Existing Owner to finance costs of acquisition of a multifamily housing apartment development located at 2701 Glen Flora, Waukegan, Illinois (the “Project”); and

WHEREAS, in connection with the Bonds, the Authority, the Existing Owner and The Bank of New York, as Trustee, entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of October 1, 1997 (the “1997 Regulatory Agreement”) setting forth certain restrictions necessary to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, on September 17, 2007, the Existing Owner caused there to be issued an Alternate Credit Facility by Federal Home Loan Mortgage Corporation in support of the Bonds and, in connection therewith, certain amendments with respect to the Bonds were entered into, including an amendment and restatement of the 1997 Regulatory Agreement pursuant to an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants dated September 17, 2007 (the “First Amended Regulatory Agreement”) among the Existing Owner, U.S. Bank National Association, as successor to The Bank of New York, as Trustee (the “Trustee”) and the Authority; and

WHEREAS, the Existing Owner is proposing to sell the Project to Cinnamon Lake Towers Associates, LP, an Illinois limited partnership (the “Successor Owner”) and, simultaneously therewith, repay in full the Bonds with the proceeds of the sale and other available moneys; and

WHEREAS, notwithstanding the proposed payment in full of the Bonds, the Existing Regulatory Agreement will, by its terms, remain in effect until the end of the “Qualified Project Period” as defined therein; and

WHEREAS, with the payment in full of the Bonds and the discharge of the indenture under which the Bonds were issued, the Successor Owner has selected ZB, National Association, dba Zions Bank, as agent (the “Agent”), to assume the obligations of the Trustee under the Existing Regulatory Agreement, as amended by the Second Amended Regulatory Agreement (defined below); and

WHEREAS, it is necessary and desirable that the Successor Owner, the Authority and the Agent enter into a Second Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the “Second Amended Regulatory Agreement”) in order to effect the Successor Owner’s assumption of the Existing Owner’s obligations thereunder, the release of the Existing Owner and the consent of the Authority thereto; and

WHEREAS, a form of the Second Amended Regulatory Agreement is before the Authority at this meeting; and

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

*Section 1.* The Second Amended Regulatory Agreement, in substantially the form presented at this meeting and containing substantially the terms and provisions set forth therein, is hereby authorized, approved and confirmed, and the forms, terms and provisions of the Second Amended Regulatory Agreement are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Authority executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the

Chairperson, the Vice Chairperson, the Executive Director, General Counsel, or any person duly appointed by the Members to serve in such offices on an interim basis (each an “**Authorized Officer**”) of the Authority are hereby each individually authorized and directed to execute and deliver the Second Amended Regulatory Agreement to the other parties thereto and, as necessary, the Secretary or Assistant Secretary of the Authority are hereby authorized to attest the Second Amended Regulatory Agreement (to the extent execution and/or attestation is so required).

*Section 2.* The Authorized Officers referenced in Section 1 hereof are hereby each individually authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the execution and delivery of the Second Amended Regulatory Agreement, the release and/or termination of any other documents relating to the Bonds, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

*Section 3.* All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the amendments referenced herein be, and the same hereby are, in all respects, approved and confirmed.

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

*Section 5.* All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

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

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Pam Lenane, Executive Vice President

Date: May 8, 2018

Re: Riverside Health System is requesting the Authority to enter into a First Supplemental Bond Trust Indenture in order to amend the Bond Trust Indenture dated as of October 1, 2015 between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee, for the purpose of making certain modifications to the Bond Indenture in order to amend certain provisions relating to the calculation of interest on the Series 2015 Bonds and the term-out provisions, if deemed necessary and/or desirable by Riverside Medical Center, Riverside Senior Living Center, Oakside Corporation, and DNT Asset Trust, the original purchaser and the current owner, of the Series 2015 Bonds (the "*Bondholder*").

Also, the Borrowers, the Bondholder and J.P. Morgan Chase Bank, N.A., as bondholder representative, will be entering into an amendment to the Continuing Covenant Agreement to make certain changes to the repayment provisions for the Series 2015 Bonds, which the Borrowers are requesting the Authority to approve.

IFA staff recommends approval of the accompanying Resolution.

**IFA RESOLUTION NO. 2018-0508-TE07**

RESOLUTION AUTHORIZING CERTAIN AMENDMENTS TO THE BOND TRUST INDENTURE RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2015 (RIVERSIDE HEALTH SYSTEM), THE PROCEEDS OF WHICH WERE LOANED TO RIVERSIDE MEDICAL CENTER, RIVERSIDE SENIOR LIVING CENTER AND OAKSIDE CORPORATION.

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

WHEREAS, on October 14, 2015, the Authority issued its Illinois Finance Authority Revenue Refunding Bonds, Series 2015 (Riverside Health System) (the “*Series 2015 Bonds*”) with an authorized principal amount of \$37,165,000; and

WHEREAS, the proceeds of the Series 2015 Bonds were loaned to Riverside Medical Center, a not for profit corporation incorporated under the laws of the State of Illinois (the “*Medical Center*”), Riverside Senior Living Center, a not for profit corporation incorporated under the laws of the State of Illinois (the “*Living Center*”), and Oakside Corporation, a not for profit corporation incorporated under the laws of the State of Illinois (“*Oakside*” and, together with the Medical Center and the Living Center, the “*Borrowers*”), pursuant to three separate Loan Agreements, each dated as of October 1, 2015, between the Authority and each of the Borrowers; and

WHEREAS, the Borrowers have requested that the Authority and DNT Asset Trust, the original purchaser and the current owner, of the Series 2015 Bonds (the “*Purchaser*”), consent to the amendment of the Bond Trust Indenture dated as of October 1, 2015 (the “*Existing Bond Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “*Bond Trustee*”), relating to the Series 2015 Bonds, in order to amend Sections 202 and 205 of the Existing Bond Indenture and certain defined terms used therein to modify the method of calculating the Private Placement Floating Rate (as defined in the Existing Bond Indenture) for each Private Placement Rate Period (as defined in the Existing Bond Indenture) and, if deemed necessary and/or desirable by the Borrowers and the Purchaser, the term out provision of the Existing Bond Indenture (together, the “*Existing Bond Indenture Amendments*”); and

WHEREAS, in connection with the Existing Bond Indenture Amendments, the Borrowers and the Purchaser will make certain amendments to the Continuing Covenant Agreement dated as of October 14, 2015 (the “*Existing Continuing Covenant Agreement*”) among the Borrowers, Riverside Health System (the “*Corporation*”), the Purchaser and J.P. Morgan Chase Bank, N.A., as the bondholder representative (the “*Bondholder Representative*”), relating to the Series 2015 Bonds, in order to modify certain of the repayment provisions contained therein for the Series 2015 Bonds (the “*Existing Continuing Covenant Agreement Amendments*”); and

WHEREAS, a draft of the First Supplemental Bond Trust Indenture between the Authority and the Bond Trustee (the “*First Supplemental Bond Trust Indenture*”) describing the Existing Bond Indenture Amendments has been previously provided to the Authority and is on file with the Authority;

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

*Section 1. First Supplemental Bond Trust Indenture.* 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 First Supplemental Bond Trust Indenture. The First Supplemental Bond Trust Indenture shall be substantially in the form on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such form of the First Supplemental Bond Trust Indenture, and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval thereof.

*Section 2. Existing Continuing Covenant Agreement Amendments.* The Authority does hereby authorize and approve the execution of an instrument containing the Existing Continuing Covenant Agreement Amendments among the Borrowers, the Purchaser, the Corporation and the Bondholder Representative (the “*Amended Continuing Covenant Agreement*”). The Amended Continuing Covenant Agreement shall be in the form as approved by the Authorized Officer of the Authority executing the First Supplemental Bond Trust Indenture with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the final form of the Amended Continuing Covenant Agreement Amendment.

*Section 3. Authorization and Ratification of Subsequent Acts.* The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute, approve and/or accept, as applicable, 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, the First Supplemental Bond Trust Indenture, the Existing Bond Indenture Amendments, the Amended Continuing Covenant Agreement and the Existing Continuing Covenant Agreement Amendments, 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 4. 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 5. Conflicts.* All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

*Section 6. Immediate Effect.* This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved this 8th day of May, 2018 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Assistant Secretary

[SEAL]

**RESOLUTION NO. 2018-0508-DA08**

**RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER A LOAN PROGRAM FOR DEFERRED ACTION FOR CHILDHOOD ARRIVALS (“DACA”) APPLICANTS TO MEDICAL AND DENTAL SCHOOLS IN ILLINOIS, THE “DACA LOAN PROGRAM,” IN AN AMOUNT NOT TO EXCEED \$2,900,000 AND RATIFYING CERTAIN MATTERS RELATED THERETO**

**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**, the Authority is authorized to enter into loans, contracts, agreements and mortgages in any manner connected with any of its corporate purposes and to invest its funds (20 ILCS 3501/801-30(a)); and

**WHEREAS**, the General Assembly of Illinois found, determined and declared that the following policy is relevant to the Authority’s programs:

that for the benefit of the people of the State of Illinois, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions it is essential that all the people of the State be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills; that to achieve these ends it is of the utmost importance that private institutions of higher education within the State be provided with appropriate additional means to assist the people of the State in achieving the required levels of learning and development of their intellectual and mental capacities and skills . . . 20 ILCS 3501/801-5(1); and

**WHEREAS**, the Secretary of the United States Department of Homeland Security (“DHS”) signed a memorandum on June 15, 2012 setting forth how, in the exercise of its prosecutorial discretion, DHS should enforce the Nation’s immigration laws against certain undocumented young people who came to the United States as children and have pursued education or military service in the United States; and

**WHEREAS**, On August 15, 2012, the United States Citizenship and Immigration Services (“USCIS”) released the forms necessary to apply for Deferred Action for Childhood Arrivals (“DACA”); individuals who demonstrate that they meet the guidelines may request consideration of deferred action for childhood arrivals for a period of two years, subject to renewal, and may be eligible for employment authorization; and

**WHEREAS**, on September 5, 2017, members of the United States executive branch announced that the DACA program would be wound down over the next six months, first by rejection of all initial applications to the DACA program and later by rejection of renewal applications by current DACA status holders; and

**WHEREAS**, two federal district courts in California and New York subsequently issued injunctions, the effect of which has been to preserve the DACA program substantially as it was prior to the September 5, 2017 announcement insofar as current DACA status holders may continue to renew DACA status and work authorization; and an additional, recent federal district court order may have the effect of requiring DHS to resume accepting initial applications; and

**WHEREAS**, the DACA students do not fit into any of the United States Department of Education’s categories for eligible non-citizens and are not eligible to receive federal financial aid to cover tuition and fees; and

**WHEREAS**, there is a need for physicians in communities in Illinois designated as Health Professional Shortage Areas (“HPSA”), Medically Underserved Areas (“MUA”) and Medically Underserved Populations (“MUP”) and maintained by the Health Resources and Services Administration (“HRSA”) of the US Department of Health and Human Services (“HHS”) (collectively, the “Underserved Areas”); and

**WHEREAS**, under Resolution Nos. 2013-0709-AD05, 2014-0513-AD09 and 2015-0218-AD07, the Authority provided loans under the DACA Loan Program to DACA students attending Illinois medical and dental schools to finance the cost of tuition and fees in exchange for an agreement by a DACA student to practice full-time as a physician in Underserved Areas in Illinois one year for each year the loan funds are received by the DACA student (the “Service Obligation”); and

**WHEREAS**, Loyola University’s Stritch School of Medicine (“Stritch”) has waived legal residency as an admissions requirement and thus has allowed DACA students to apply and be accepted by Stritch; and

**WHEREAS**, the Authority previously approved the use of not-to-exceed \$2.9 million (the “Authorized Amount”) to fund loans through the DACA Loan Program to seven (7) DACA students attending Stritch for medical school years 2014-2018 under Resolution No. 2014-0513-AD09 and to five (5) DACA students attending Stritch for medical school years 2015-2019 under Resolution No. 2015-0218-AD07; and

**WHEREAS**, the per student aggregate loan cap established in the related DACA Loan Participation Agreement with respect to five (5) DACA students receiving loans as authorized under Resolution No. 2015-0218-AD07 is no longer adequate due to tuition increases, causing the need to amend such Agreement to allow a higher cap; and

**WHEREAS**, the specialties permitted to be pursued by medical students currently receiving, and approved to receive in the future, loans under the DACA Loan Program must be expanded to realize the full benefits of the DACA Loan Program, requiring technical amendments to the outstanding DACA Program Participation Agreements and other DACA Program documents; and

**WHEREAS**, the DACA Loan Program is available to any medical or dental school in Illinois that agrees to comply with the program’s conditions subject to the availability of funds under this resolution.

**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. Purpose of the DACA Loan Program.** The DACA Loan Program provides vital and “but for” financial resources so that DACA medical and dental students can complete their medical education in Illinois in exchange for a Service Obligation in medically underserved Illinois communities. The use of Authority funds to fund the DACA Program up to the Authorized Amount is hereby ratified and confirmed. The purpose of the DACA Loan Program is consistent with the statutory policy findings in 20 ILCS 3501/801-5(l).

**Section 3. Delegation to the Executive Director.** The Authority hereby delegates to the Executive Director of the Authority the power to take or cause to be taken any and all such actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates, amendments and other documents as may be required in connection with the funding and administration of the DACA Loan Program for medical and dental students in Illinois, including, but not limited to, the power to amend the existing DACA Program Participation Agreements and other DACA Program documents for the reasons identified herein, including, but not limited to, to allocate unallocated funds remaining under the Authorized Amount to raise the individual student aggregate loan cap for five (5) DACA students receiving loans as authorized by Resolution No. 2015-0218-AD07 and to otherwise allocate such funds among the DACA students currently participating in the DACA Program.

**Section 4. Further Actions.** The Executive Director of the Authority 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 which are in conformity with the intent and purposes 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 doings 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 this Resolution.

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

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

This Resolution No. 2018-0508-DA08 is approved and effective this 8th day of May, 2018 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

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Executive Director

[SEAL]

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Assistant Secretary

Date: May 8, 2018

To: Eric Anderberg, Chairman  
Gila J. Bronner  
James J. Fuentes  
Michael W. Goetz  
Neil Heller  
Robert Horne  
Mayor Arlene A. Juracek

Lerry Knox  
Lyle McCoy  
George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Bradley A. Zeller

From: Ximena Granda, Controller

Subject: *Presentation and Consideration of Financial Reports as of April 30, 2018\*\**

**\*\*All information is preliminary, unaudited and subject to change.**

## **FISCAL YEAR 2018-UNAUDITED**

### **1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. **Total Annual Revenues** equal **\$4.3** million and are \$969 thousand or **29.0%** higher than budget due primarily to **higher** closing fees. Closing fees year-to-date of \$3.0 million are \$559 thousand or 23.2% **higher** than budget. Annual fees of \$310 thousand are \$77 thousand higher than the budgeted amount. Administrative service fees of \$129 thousand are \$87 thousand higher than budget. Application fees total \$21 thousand and are \$9 thousand lower than the budgeted amount. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$491 thousand (which has represented a declining asset since 2014). Net investment income position is at \$314 thousand for the fiscal year and is \$209 thousand higher than budget.
- b. In **April**, the Authority generated \$2 thousand from a closing fee, lower than the monthly budgeted amount of \$241 thousand. The closing fee was received from one Beginning Farmer bond transaction.
- c. **Total Annual Expenses** of \$2.9 million were \$487 thousand or 14.7% lower than budget, which was mostly driven by below budget spending on professional services and employee related expenses. Year-to-date, employee and professional services expenses total \$2.4 million, with each function at 19.6% and 14.0% under budget, respectively. Annual occupancy costs of \$137 thousand are 5.8% lower than budget, while general and administrative costs are \$329 thousand

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

*\* **Governmental Accounting Standards Board (GASB) Statement No. 31.** This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.*

- Authority investment manager advises that global market conditions contribute to this.
- Past performance does not direct the outcome of future outcomes; however in FY2015 investment income total was \$642 thousand compared to (unaudited) FY2016 total \$ 742 thousand.

for the year, which is 17.1% higher than budget. Total depreciation costs are \$12 thousand and 64.6% below budget. Total cash transfers in from the Primary Government Borrowing Fund (set-up to track financial activity on behalf of the State of Illinois) to the General Operating Fund are \$91 thousand.

- d. In **April**, the Authority recorded operating expenses of \$308 thousand, which was lower than the monthly budgeted amount of \$309 thousand.
- e. **Total Monthly Net Loss** of \$153 thousand was driven by lower than expected closing fees.
- f. **Total Annual Net Income** is \$1.5 million. The major drivers of the annual positive bottom line are the compressed bond project closing activity in November and December 2017 and lower than expected expenses.

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

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$58.0 million. The total assets in the General Fund are \$58.6 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$45.1 million (with \$7.1 million in cash). Notes receivables from the former Illinois Rural Bond Bank local governments total \$10.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at \$2.9 million.

## **3. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS**

Financial information for all other funds is not available due to the short time between month end and the printing of the Board book.

## **4. AUTHORITY AUDITS AND REGULATORY UPDATES**

The Entrance Conference for the Financial Audit for the Year Ending June 30, 2018 was held April 19, 2018. The fieldwork for the Financial Audit will begin on May 29, 2018.

## **5. OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

The Fiscal Year Comparison of Bonds Issued, Fiscal Year 2018 Bonds Issued, Schedule of Debt, and the State of Illinois Receivables Summary are being presented as supplementary financial information, immediately following the financial reports in your Board package.

Respectfully submitted,

/s/ Ximena Granda  
Controller



ILLINOIS FINANCE AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND NET INCOME  
GENERAL OPERATING FUND  
FOR FISCAL YEAR 2018 AS OF APRIL 30, 2018  
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
<b>Operating Revenues:</b>																
Closing Fees	\$ 136,265	\$ 226,532	\$ 486,374	\$ 19,345	\$ 376,290	\$ 1,279,665	\$ 215,338	\$ -	\$ 221,778	\$ 2,000			\$ 2,963,587	\$ 2,404,917	\$ 558,670	23.2%
Annual Fees	21,005	23,599	20,265	22,158	25,018	26,081	34,256	20,616	95,413	21,925			310,336	232,930	77,406	33.2%
Administrative Service Fees	-	10,500	20,000	33,500	500	40,500	6,000	-	-	18,000			129,000	41,670	87,330	209.6%
Application Fees	100	4,100	3,000	2,300	3,000	6,100	1,100	300	1,000	400			21,400	30,000	(8,600)	-28.7%
Miscellaneous Fees	104	-	10,336	338	14,750	-	108	-	-	-			25,636	4,580	21,056	459.7%
Interest Income-Loans	50,587	49,369	52,190	50,787	50,356	50,244	50,240	51,309	41,440	43,745			490,267	523,110	(32,843)	-6.3%
Other Revenue	164	163	162	57,382	161	160	160	159	514	157			59,182	1,670	57,512	3443.8%
<b>Total Operating Revenue:</b>	<b>\$ 208,225</b>	<b>\$ 314,263</b>	<b>\$ 592,327</b>	<b>\$ 185,810</b>	<b>\$ 470,075</b>	<b>\$ 1,402,750</b>	<b>\$ 307,202</b>	<b>\$ 72,384</b>	<b>\$ 360,145</b>	<b>\$ 86,227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,999,408</b>	<b>\$ 3,238,877</b>	<b>\$ 760,531</b>	<b>23.5%</b>
<b>Operating Expenses:</b>																
Employee Related Expense	\$ 133,489	\$ 139,259	\$ 131,705	\$ 131,125	\$ 128,774	\$ 124,356	\$ 181,610	\$ 177,296	\$ 180,593	\$ 179,147			\$ 1,507,354	\$ 1,874,542	\$ (367,188)	-19.6%
Professional Services	75,916	38,669	50,322	114,233	46,325	68,966	113,925	122,821	137,146	74,868			843,191	980,830	(137,639)	-14.0%
Occupancy Costs	14,324	12,110	13,155	13,506	12,721	12,505	16,610	13,833	13,283	14,534			136,581	145,000	(8,419)	-5.8%
General & Administrative	28,531	28,689	33,165	30,977	35,469	38,158	36,598	30,703	28,470	38,471			329,231	281,250	47,981	17.1%
Depreciation and Amortization	1,177	1,177	1,177	1,148	1,843	1,047	1,047	1,047	1,289	1,143			12,095	34,170	(22,075)	-64.6%
<b>Total Operating Expense</b>	<b>\$ 253,437</b>	<b>\$ 219,904</b>	<b>\$ 229,524</b>	<b>\$ 290,989</b>	<b>\$ 225,132</b>	<b>\$ 245,032</b>	<b>\$ 349,790</b>	<b>\$ 345,700</b>	<b>\$ 360,781</b>	<b>\$ 308,163</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,828,452</b>	<b>\$ 3,315,792</b>	<b>\$ (487,340)</b>	<b>-14.7%</b>
<b>Operating Income(Loss)</b>	<b>\$ (45,212)</b>	<b>\$ 94,359</b>	<b>\$ 362,803</b>	<b>\$ (105,179)</b>	<b>\$ 244,943</b>	<b>\$ 1,157,718</b>	<b>\$ (42,588)</b>	<b>\$ (273,316)</b>	<b>\$ (636)</b>	<b>\$ (221,936)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,170,956</b>	<b>\$ (76,915)</b>	<b>\$ 1,247,871</b>	<b>1622.4%</b>
<b>Nonoperating Revenues (Expenses)</b>																
Miscellaneous Non-Opertg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	18,000			18,000	1,670	16,330	977.8%
Interest and Investment Income*	34,141	51,568	39,087	42,092	39,346	43,482	45,731	42,473	51,718	54,781			444,419	208,333	236,086	113.3%
Realized Gain (Loss) on Sale of Invests	(3,209)	(5,094)	(2,750)	7	31	(1,469)	(3,131)	243	(2,305)	(2,013)			(19,690)	(20,830)	1,140	-5.5%
Net Appreciation (Depr) in FV of Invests	11,539	9,008	(35,070)	(25,750)	(48,369)	(13,632)	(22,568)	(16,841)	14,885	(1,489)			(128,287)	(83,333)	(44,954)	53.9%
<b>Total Nonoperating Rev (Exp)</b>	<b>\$ 42,471</b>	<b>\$ 55,482</b>	<b>\$ 1,267</b>	<b>\$ 16,349</b>	<b>\$ (8,992)</b>	<b>\$ 28,381</b>	<b>\$ 20,032</b>	<b>\$ 25,875</b>	<b>\$ 64,298</b>	<b>\$ 69,279</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 314,442</b>	<b>\$ 105,840</b>	<b>\$ 208,602</b>	<b>197.1%</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ (2,741)</b>	<b>\$ 149,841</b>	<b>\$ 364,070</b>	<b>\$ (88,830)</b>	<b>\$ 235,951</b>	<b>\$ 1,186,099</b>	<b>\$ (22,556)</b>	<b>\$ (247,441)</b>	<b>\$ 63,662</b>	<b>\$ (152,657)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,485,398</b>	<b>\$ 28,925</b>	<b>\$ 1,456,473</b>	<b>5035.4%</b>
<b>Transfers:</b>																
Transfers in from other funds	\$ 58,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 899	\$ 31,520			\$ 90,715	\$ -	\$ 90,715	0.0%
Transfers out to other funds	(58,296)	-	-	-	-	-	-	-	(899)	(31,520)			(90,715)	-	(90,715)	0.0%
<b>Total Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ (2,741)</b>	<b>\$ 149,841</b>	<b>\$ 364,070</b>	<b>\$ (88,830)</b>	<b>\$ 235,951</b>	<b>\$ 1,186,099</b>	<b>\$ (22,556)</b>	<b>\$ (247,441)</b>	<b>\$ 63,662</b>	<b>\$ (152,657)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,485,398</b>	<b>\$ 28,925</b>	<b>\$ 1,456,473</b>	<b>5035.4%</b>





**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
 April 30, 2018  
 (PRELIMINARY AND UNAUDITED)

	<b>FUND</b>
<b>Assets and Deferred Outflows:</b>	
<b>Current Assets:</b>	
<b>Unrestricted:</b>	
Cash & cash equivalents	7,100,568
Investments	30,094,619
Accounts receivable, Net	6,218
Loans receivables, Net	1,339
Accrued interest receivable	356,202
Bonds and notes receivable	1,180,200
Due from other funds	11,549
Due from primary government	-
Due from other local government agencies	83,698
Prepaid Expenses	<u>\$ 38,834,393</u>
<b>Total Current Unrestricted Assets</b>	
<b>Restricted:</b>	\$ -
Cash & Cash Equivalents	-
Deposits in transit	-
Investments	-
Bonds and notes receivable from State component units	-
Loans receivables, Net	<u>\$ -</u>
<b>Total Current Restricted Assets</b>	<u>\$ 38,834,393</u>
<b>Total Current Assets</b>	
<b>Non-current Assets:</b>	
<b>Unrestricted:</b>	
Investments	7,918,357
Accounts receivable, Net	2,928,959
Loans receivables, Net	8,890,837
Bonds and notes receivable	-
Due from other local government agencies	<u>\$ 19,738,153</u>
<b>Total Noncurrent Unrestricted Assets</b>	
<b>Restricted:</b>	\$ -
Cash & Cash Equivalents	-
Investments	-
Funds in the custody of the Treasurer	-
Loans receivables, Net	-
Bonds and notes receivable from State component units	-
<b>Total Noncurrent Restricted Assets</b>	<u>\$ -</u>
<b>Capital Assets</b>	
Capital Assets	\$ 867,686
Accumulated Depreciation	(795,347)
<b>Total Capital Assets</b>	<u>\$ 72,339</u>
<b>Total Noncurrent Assets</b>	<u>\$ 19,810,492</u>
<b>Total Assets</b>	<u>\$ 58,644,885</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred loss on debt refunding	\$ -
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ -</u>
<b>Total Assets &amp; Deferred Inflows of Resources</b>	<u>\$ 58,644,885</u>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
 April 30, 2018  
 (PRELIMINARY AND UNAUDITED)

	<b>FUND</b>
<b>Liabilities:</b>	
<b>Current Liabilities:</b>	
Payable from unrestricted current assets:	
Accounts payable	\$ 62,356
Payables from pending investment purchases	-
Accrued liabilities	284,561
Due to employees	95,721
Due to primary government	50,001
Due to other funds	11,341
Other liabilities	-
Unearned revenue, net of accumulated amortization	109,116
<b>Total Current Liabilities Payable from Unrestricted Current Assets</b>	<b>\$ 613,096</b>
Payable from restricted current assets:	
Accounts payable	-
Obligation under securities lending of the State Treasurer	-
Accrued interest payable	\$ -
Due to other funds	-
Due to primary government	-
Bonds and notes payable from primary government	-
Bonds and notes payable from State component units	-
Current portion of long term debt	-
Other liabilities	-
Unamortized bond premium	-
<b>Total Current Liabilities Payable from Restricted Current Assets</b>	<b>\$ -</b>
<b>Total Current Liabilities</b>	<b>\$ 613,096</b>
<b>Noncurrent Liabilities</b>	
Payable from unrestricted noncurrent assets:	
Noncurrent payables	\$ 585
Accrued liabilities	-
Bonds and notes payable from primary government	-
Bonds and notes payable from State component units	-
Noncurrent loan reserve	-
<b>Assets</b>	<b>\$ 585</b>
Payable from restricted noncurrent assets:	
Noncurrent payables	-
<b>Total Noncurrent Liabilities Payable from Restricted Noncurrent</b>	<b>\$ -</b>
<b>Total Noncurrent Liabilities</b>	<b>\$ 585</b>
<b>Total Liabilities</b>	<b>\$ 613,681</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
<b>Net Position:</b>	
Net Investment in Capital Assets	\$ 72,339
Restricted for Low Income Community Investments	-
Unrestricted	56,473,467
Current Change in Net Position	1,485,398
<b>Total Net Position</b>	<b>\$ 58,031,204</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 58,644,885</b>



**STATE of ILLINOIS**  
**DETAILED RECEIVABLES SUMMARY (UNAUDITED)**  
**AS OF May 3, 2018**

As of November 1, 2015 the Illinois Finance Authority has purchased the following receivables on behalf of the State of Illinois, pursuant to Resolutions 2015-1112-AD11 and 2016-0211-AD07:

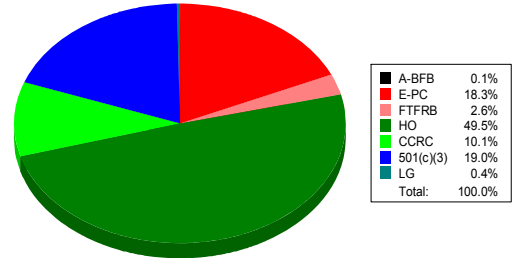
Vendor	Payment dates	Amount
Cosgrove Distributors Inc.	12/21/2015	\$9,225.92
	Payment received by IFA	( <u>\$9,225.92</u> )
	Balance due from Cosgrove Distributors	\$0.00
Grayboy Building Maintenance	12/16/2015	\$15,790.36
	Payment received by IFA	( <u>\$15,790.36</u> )
	Balance due from Grayboy Building Maint.	\$0.00
M. J. Kellner Co. Inc.	12/28/2015	\$1,806,912.20
M. J. Kellner Co. Inc.	3/31/2016	1,929,224.10
	Payment received by IFA	( <u>\$3,732,458.28</u> )
	Balance due from M.J. Kellner	\$3,678.02
Smith Maintenance Company	11/25/2015	\$251,665.26
Smith Maintenance Company	12/29/2015	125,832.63
Smith Maintenance Company	2/10/2016	129,811.11
Smith Maintenance Company	3/21/2016	151,826.83
Smith Maintenance Company	4/14/2016	151,826.83
Smith Maintenance Company	5/19/2016	151,826.83
Smith Maintenance Company	6/23/2016	107,795.38
Smith Maintenance Company	7/21/2016	107,795.38
		<u>\$1,178,380.25</u>
	Payment received by IFA	( <u>1,178,380.25</u> )
	Balance due from Smith Maintenance	\$0.00
Sysco St. Louis LLC	12/16/2015	\$32,418.85
Sysco St. Louis LLC	Payment received by IFA	( <u>\$32,418.85</u> )
	Balance due from Sysco St. Louis LLC	\$0.00
<b>Total State of Illinois Assigned/Purchased Receivables</b>		<b>\$4,971,951.65</b>
<b>Total State of Illinois Assigned/Purchased Receivables Payment Received</b>		<b>\$4,968,273.63</b>
<b>Balance due from State of Illinois Assigned/Purchased Receivables</b>		<b><u>\$3,678.02</u></b>

## Bonds Issued - Fiscal Year Comparison for the Period Ending April 30, 2018

### Fiscal Year 2016

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	3,762,495
10	Education	692,515,000
1	Freight Transfer Facilities Bonds	100,000,000
13	Healthcare - Hospital	1,869,903,000
6	Healthcare - CCRC	381,762,000
9	501(c)(3) Not-for-Profit	717,050,000
1	Local Government	14,540,000
<b>54</b>		<b>\$ 3,779,532,495</b>

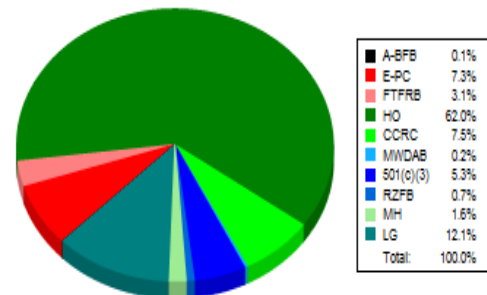
### Bonds Issued in Fiscal Year 2016



### Fiscal Year 2017

#	Market Sector	Principal Issued
18	Agriculture - Beginner Farmer	3,765,900
7	Education	304,222,000
1	Freight Transfer Facilities Bonds	130,000,000
12	Healthcare - Hospital	2,568,650,000
7	Healthcare - CCRC	310,364,967
1	Midwest Disaster Area Bonds	9,969,162
7	501(c)(3) Not-for-Profit	221,407,000
2	Recovery Zone Facilities Bonds	28,951,409
2	Multifamily/Senior/Not-for-Profit Housing	65,365,000
1	Local Government	500,000,000
<b>58</b>		<b>\$ 4,142,695,438</b>

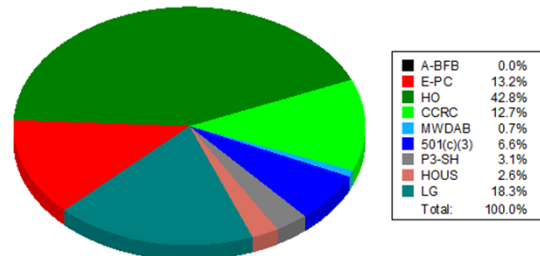
### Bonds Issued in Fiscal Year 2017



### Fiscal Year 2018

#	Market Sector	Principal Issued
8	Agriculture - Beginner Farmer	1,355,045
5	Education	403,755,000
7	Healthcare - Hospital	1,308,930,000
5	Healthcare - CCRC	388,700,000
1	Midwest Disaster Area Bonds	20,200,000
6	501(c)(3) Not-for-Profit	296,974,000
2	Multifamily/Senior/Not-for-Profit Housing	79,020,000
1	Local Government	560,025,000
<b>35</b>		<b>\$3,058,959,045</b>

### Bonds Issued in Fiscal Year 2018





**Bonds Issued and Outstanding  
as of  
April 30, 2018**

**Bonds Issued between July 01, 2017 and April 30, 2018**

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bond	07/01/2017	Variable	1,128,225	0
501(c)(3) YMCA of Rock River Valley	07/25/2017	Variable	9,500,000	5,234,000
CCRC Three Crown Park	07/25/2017	Variable	34,210,000	34,210,000
501(c)(3) Chicagoland Laborers Training and Apprentice Fund	08/10/2017	Fixed at Schedule	12,950,000	0
E-PC Rosalind Franklin University	08/23/2017	Fixed at Schedule	112,390,000	62,390,000
E-PC Bradley University	09/01/2017	Variable	50,000,000	50,000,000
HO Southern Illinois Healthcare Enterprises	09/12/2017	Variable	66,845,000	0
CCRC Tabor Hills Supportive Living Community	09/19/2017	Variable	16,000,000	16,000,000
LG Clean Water Initiative Revolving Fund	09/12/2017	Fixed at Schedule	560,025,000	0
E-PC Bradley University	09/01/2017	Fixed at Schedule	39,500,000	0
HO UnityPoint Health	10/20/2017	Fixed at Schedule	19,500,000	12,000,000
HO Blessing Hospital	11/17/2017	Variable	15,955,000	0
CCRC Greenfields of Geneva	11/17/2017	Fixed at Schedule	65,000,000	65,000,000
HOUS Better Housing Foundation (Windy City Portfolio Project)	11/21/2017	Fixed at Schedule	59,980,000	0
501(c)(3) Chicago Charter School Foundation	11/30/2017	Variable	51,310,000	0
P3-SH CHF- Chicago, LLC (University of Illinois at Chicago)	12/19/2017	Fixed at Schedule	94,860,000	0
HO Northwestern Memorial HealthCare	12/19/2017	Fixed at Schedule	706,900,000	593,500,000
HO OSF Healthcare System	12/20/2017	Variable	235,000,000	49,000,000
501(c)(3) Cantigny Foundation	12/27/2017	Variable	58,000,000	0
501(c)(3) The Lincoln Park Zoological Society	12/27/2017	Variable	70,354,000	70,000,000
E-PC Elmhurst College	12/27/2017	Variable	37,160,000	37,000,000
CCRC Friendship Village of Schaumburg	12/28/2017	Fixed at Schedule	122,550,000	108,371,437
HO Ingalls Memorial Hospital	12/29/2017	Variable	41,180,000	41,180,000

MWDAB	Kone Center Project	12/29/2017	Variable	20,200,000	20,200,000
CCRC	The Admiral at the Lake	12/29/2017	Fixed at Schedule	150,940,000	147,612,110
A-BFB	Beginner Farmer Bond	01/01/2018	Variable	226,820	0
HO	Ann & Robert Lurie Children's Hospital of Chicago	01/18/2018	Fixed at Schedule	223,550,000	223,550,000
E-PC	The University of Chicago	03/07/2018	Fixed at Schedule	164,705,000	0
HOUS	Better Housing Foundation (Ernst Portfolio Project)	03/08/2018	Fixed at Schedule	19,040,000	0

Total Bonds Issued as of April 30, 2018      \$3,058,959,045      \$ 1,535,247,547

**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, 2017 and April 30, 2018

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/06/2017	3.50	70,000	40.00	Montgomery
10/02/2017	3.5	129,675	95.58	Lawrence
12/15/2017	3.25	193,800	40.00	Jasper
12/15/2017	3.85	502,250	60.00	Logan
12/21/2017	3.90	107,500	42.00	Jasper
12/27/2017	3.625	125,000	80.00	Montgomery
03/26/2018	3.90	86,820	65.90	Jasper
04/19/2018	4.25	140,000	75.00	Clay
<b>Total Beginner Farmer Bonds Issued</b>		<u><b>\$ 1,355,045</b></u>	<u><b>498.48</b></u>	

**ILLINOIS FINANCE AUTHORITY**

Schedule of Debt <sup>[a]</sup>

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

**Section I (a)**

	Principal Outstanding #		Program Limitations	Remaining Capacity
	June 30, 2017	April 30, 2018		
<b>Illinois Finance Authority "IFA" <sup>[b]</sup></b>				
Agriculture	\$ 51,839,174	\$ 48,627,671		
Education	\$ 4,345,951,386	4,482,801,803		
Healthcare	\$ 15,265,699,341	14,953,281,829		
Industrial Development [includes Recovery Zone/Midwest Disaster]	\$ 889,671,685	852,470,163		
Local Government	\$ 725,285,000	1,235,655,000		
Multifamily/Senior/Not-for Profit Housing	\$ 153,127,575	289,551,887		
501(c)(3) Not-for Profits	\$ 1,665,996,057	1,448,040,456		
Exempt Facilities Bonds	\$ 149,915,000	203,500,000		
Student Housing	\$ 217,555,000	320,275,000		
<b>Total IFA Principal Outstanding</b>	<b>\$ 23,465,040,218</b>	<b>\$ 23,834,203,809</b>		
<b>Illinois Development Finance Authority "IDFA" <sup>[b]</sup></b>				
Education	496,388			
Healthcare	73,600,000	73,600,000		
Industrial Development	171,430,244	119,399,744		
Local Government	222,207,364	173,166,782		
Multifamily/Senior/Not-for Profit Housing	82,249,117	49,454,392		
501(c)(3) Not-for Profits	519,192,342	433,614,826		
Exempt Facilities Bonds				
<b>Total IDFA Principal Outstanding</b>	<b>\$ 1,069,175,454</b>	<b>\$ 849,235,744</b>		
<b>Illinois Rural Bond Bank "IRBB" <sup>[b]</sup></b>				
<b>Total IRBB Principal Outstanding</b>	<b>\$ -</b>	<b>\$ -</b>		
Illinois Health Facilities Authority "IHFA"	\$ 294,285,000	\$ 189,270,000		
Illinois Educational Facilities Authority "IEFA"	\$ 490,472,000	\$ 396,498,000		
Illinois Farm Development Authority "IFDA" <sup>[f]</sup>	\$ 13,436,353	\$ 11,158,212		
<b>Total Illinois Finance Authority Debt</b>	<b>\$ 25,332,409,025</b>	<b>\$ 25,280,365,764</b>	<b>\$ 28,150,000,000</b>	<b>\$ 2,869,634,236</b>

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

**Section I (b)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2017	April 30, 2018		
<b>General Purpose Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
*Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	14,050,000	13,415,000		
<b>Total General Moral Obligations</b>	<b>\$ 14,050,000</b>	<b>\$ 13,415,000</b>	<b>\$ 150,000,000</b>	<b>\$ 136,585,000</b>
* All the Local Government bonds were defeased as of August 1, 2014.				
<b>Financially Distressed Cities Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	\$ -	\$ -		
Issued through IDFA	-	-		
<b>Total Financially Distressed Cities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000,000</b>	<b>\$ 50,000,000</b>
<b>State Component Unit Bonds <sup>[c]</sup></b>				
Issued through IDFA <sup>[1]</sup>	-	-		
Issued through IFA <sup>[1]</sup>	599,372,488	1,095,214,096 *		
<b>Total State Component Unit Bonds</b>	<b>\$ 599,372,488</b>	<b>\$ 1,095,214,096</b>		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwestern Disaster Area Bonds in Illinois. This Federal program expired as of December 31, 2012.

**Section I (c)**

	Principal Outstanding		Remaining MDAB Volume Cap
	June 30, 2017	April 30, 2018	
<b>Midwestern Disaster Area Bonds [Flood Relief]</b>	<b>\$ 63,634,933</b>	<b>\$ 62,892,738</b>	<b>N/A</b>

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

**Section I (d)**

	ARRA Act of 2009 Volume Cap Allocated <sup>[h]</sup>	City/Counties Ceded Voluntarily to/by IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
<b>Recovery Zone Economic Development Bonds**</b>	<b>\$ 666,972,000</b>	<b>\$ 16,940,000</b>	<b>\$ 12,900,000</b>	N/A
<b>Recovery Zone Facilities Bonds**</b>	<b>\$ 1,000,457,000</b>	<b>\$ 204,058,967</b>	<b>\$ 214,849,804</b>	N/A
<b>Qualified Energy Conservation Bonds***</b>	<b>\$ 133,846,000</b>	<b>\$ (17,865,000)</b>	<b>\$ 82,795,000</b>	<b>IFA Cap: \$4,755,783 Cities/Counties Cap: \$46,295,717</b>

\*\* Programs expired as of 12/31/2010. There have been no new issues subsequent to the expiration date of these Federal programs.

\*\*\* The IFA manages the QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. IFA's remaining QECB allocation of \$4,755,783 has been reserved for use by state universities.

**ILLINOIS FINANCE AUTHORITY**

Schedule of Debt <sup>[a]</sup>

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

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2017	April 30, 2018		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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

Section III	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2017	April 30, 2018		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 <sup>[d]</sup>	\$ 3,000,000,000

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

Section IV	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2017	April 30, 2018			
<b>Agri Debt Guarantees [Restructuring Existing Debt]</b>					
Fund # 994 - Fund Balance \$10,206,209*	\$ 5,966,448	\$ 4,465,315	\$ 160,000,000	\$ 155,534,685	\$ 3,795,518
<b>AG Loan Guarantee Program</b>					
Fund # 205 - Fund Balance \$8,003,713*	\$ 2,696,940	\$ 2,562,594	\$ 225,000,000 <sup>[e]</sup>	\$ 222,437,406	\$ 2,178,205
Agri Industry Loan Guarantee Program	\$ -				
Farm Purchase Guarantee Program	866,646	857,434			728,819
Specialized Livestock Guarantee Program	1,251,934	1,143,256			971,768
Young Farmer Loan Guarantee Program	578,360	561,903			477,618
<b>Total State Guarantees</b>	<b>\$ 8,663,388</b>	<b>\$ 7,027,909</b>	<b>\$ 385,000,000</b>	<b>\$ 377,972,091</b>	<b>\$ 5,973,723</b>

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

Section V		Fund #	Principal Outstanding		Cash and Investment Balance
			June 30, 2017	April 30, 2018	
155	Fire Truck Revolving Loan Program	Fund # 572	\$ 20,057,851	\$ 18,094,427 *	\$ 5,229,381 *
22	Ambulance Revolving Loan Program	Fund # 334	\$ 1,672,960	\$ 1,378,640 *	\$ 2,868,467 *

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

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

Section VI	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2017	April 30, 2018		
<b>Environmental [Large Business]</b>				
Issued through IFA	\$ 14,475,000	\$ 13,405,000		
Issued through IDFA	97,505,000	47,505,000		
<b>Total Environmental [Large Business]</b>	<b>\$ 111,980,000</b>	<b>\$ 60,910,000</b>	<b>\$ 2,425,000,000</b>	<b>\$ 2,364,090,000</b>
<b>Environmental [Small Business]</b>	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
<b>Total Environment Bonds Issued under Act</b>	<b>\$ 111,980,000</b>	<b>\$ 60,910,000</b>	<b>\$ 2,500,000,000</b>	<b>\$ 2,439,090,000</b>

**Illinois Finance Authority Funds at Risk**

Section VII	Original Amount	Principal Outstanding	
		June 30, 2017	April 30, 2018
<b>Participation Loans</b>			
Business & Industry	23,020,158	99,724	91,130
Agriculture	6,079,859		
<b>Participation Loans excluding Defaults &amp; Allowances</b>	<b>29,100,017</b>	<b>99,724</b>	<b>91,130</b>
Plus: Legacy IDFA Loans in Default		936,358	3,170
Less: Allowance for Doubtful Accounts		938,353	5,165
<b>Total Participation Loans</b>		<b>97,729</b>	<b>89,135</b>
<b>Local Government Direct Loans</b>	<b>1,289,750</b>	<b>627,638</b>	<b>501,477</b>
<b>Rural Bond Bank Local Government Note Receivable</b>		<b>12,069,137</b>	<b>12,039,137 *</b>
<b>FmHA Loans</b>	<b>963,250</b>	<b>163,518</b>	<b>141,369</b>
<b>Renewable Energy [RED Fund]</b>	<b>2,000,000</b>	<b>1,107,838</b>	<b>-</b>
<b>Total Loans Outstanding</b>	<b>34,353,017</b>	<b>14,065,860</b>	<b>12,771,117</b>
<b>IRBB funds were defeased and transferred into a note receivable with the IFA.</b>			

Higher Education Loan Act (110 ILCS 945 or "HELA")

Section VIII	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2017	April 30, 2018		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 <sup>[d]</sup>	\$ 185,000,000

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

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

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

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

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

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

Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey,

Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

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

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

\* Balances as of April 30, 2018 are estimated and subject to change.



**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
May 8, 2018**

<b>CONTRACTS/AMENDMENTS EXECUTED</b>					
	<b>Vendor</b>	<b>Initial Term</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b><i>Illinois Procurement Code- Small Purchases</i></b>	Marcor Technologies	04/01/2018-03/31/2021	\$9,375	BidBuy PO (in process)	MailArchiva support (archive emails)
	Com Microfilm Company, Inc.	07/01/2018	\$7,230	BidBuy PO (in process)	Docuware support (document storage)
	Velocita Technology Inc.	04/05/2018	\$1,564	BidBuy PO	Additional power backup unit
	Malelo	04/26/2018	\$934	BidBuy PO	Back up tapes
<b><i>Illinois Procurement Code- Order Against Master</i></b>	Mesirow Insurance Services	05/xx/2018	\$322,900	Continue with State Master CMS4819650 with BOA. (in process)	Insurance Brokering Services
	Com Microfilm Company, Inc.	05/xx/2018	\$22,523	BidBuy PO off State Master. (in process)	Document Imaging
	CDS Office Technologies	03/30/2018	\$2,075	BidBuy PO	Laptops

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
May 8, 2018**

<b>EXPIRING CONTRACTS</b>					
	<b>Vendor</b>	<b>Expiration Date</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b><i>Illinois Procurement Code-Small Purchases</i></b>	Marcor Technologies	05/06/2018	\$9,375	BidBuy PO	MailArchiva Support for 3 years
<b><i>Illinois Procurement Code-Competitive Bids</i></b>	Arbitrage Compliance Specialists	05/31/2018	\$49,000	Services not required. Let expire.	Arbitrage Liability Calculation Services/Bond Comp
<b><i>Illinois Procurement Code-Small Purchases</i></b>	Hewlett Packard Enterprise	05/31/2018	\$5,627	Purchase again via Small Purchase with incumbent.	Hardware Support Care Packs
	MX Save	06/12/2018	\$588	Purchase again via Small Purchase with incumbent.	Disaster Recovery for email
	GoDaddy	06/14/2018	\$150	Purchase again via Small Purchase with incumbent.	SSL Certificate for Mobile Device Management
<b><i>Illinois Procurement Code-Competitive Bids</i></b>	Merlinos & Associates	06/15/2018	\$45,040	Services not required. Let expire.	Actuarial Services
<b><i>Illinois Procurement Code- Small Purchases</i></b>	3rd Coast Imaging, Inc.	06/30/2018	\$10,000	BidBuy Bid	Printing Services for Monthly Board Books
	Com Microfilm Company, Inc.	06/30/2018	\$7,230	BidBuy PO	Docuware Maintenance and Support
	Novanis IT Solutions	06/30/2018	\$203	Purchase again via Small Purchase with incumbent.	Encryption of laptops
	Presidio Networked Solutions	06/30/2018	\$3,292	BidBuy PO with State Master.	Production Support/Subscription VMWare
	CDW Government LLC (SmartNet)	06/30/2018	\$422	Purchase again via Small Purchase with incumbent.	SmartNet Technical Support
	Tallgrass Systems SmartNet	06/30/2018	\$540	Purchase again via Small Purchase with incumbent.	Cisco SmartNet

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
May 8, 2018**

<b>EXPIRING CONTRACTS (cont'd)</b>					
	<b>Vendor</b>	<b>Expiration Date</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b><i>Illinois Procurement Code-Small Purchase</i></b>	United States Postal Service Prepaid Postage	08/08/2018	\$1,000	Purchase again via Small Purchase with incumbent.	Chicago and Mt. Vernon postage
	GoDaddy Web Hosting	08/10/2018	\$539	Purchase again via Small Purchase with incumbent.	Web Hosting Server
	GoDaddy 2018 SSL Cert	08/23/2018	\$299	Purchase again via Small Purchase with incumbent.	SSL Certificate
<b><i>Illinois Procurement Code-Sole Economically Feasible Purchase</i></b>	East Bank Records Management	08/31/2018	\$20,000	Purchase again via Small Purchase with incumbent	Records Storage
<b><i>Illinois Procurement Code-Order Against Master</i></b>	CDW Government LLC Cisco switches and support	09/10/2018	\$11,939	BidBuy PO with State Master.	Cisco switches, firewall, router and support
<b><i>Illinois Procurement Code-Exempt</i></b>	Acacia Financial Group, Inc.	03/01/2018-09/14/2018	\$225,000	Contract extension executed. To do RFP.	Financial Advisors
	Sycamore Advisors, LLC	03/01/2018-09/14/2018	\$225,000	Contract extension executed. To do RFP.	Financial Advisors
<b><i>Illinois Procurement Code-Order Against Master</i></b>	CDW Government LLC HPE	09/17/2018	\$37,380	BidBuy PO with State Master.	HP Servers, disk array, tape drive
<b><i>Illinois Procurement Code-Small Purchases</i></b>	SHI International Corp	10/16/2018	\$4,560	BidBuy Bid	Enterprise Mobility Mgmt System
	WellSpring Software, Inc.	10/30/2018	\$100	Purchase again via Small Purchase with incumbent.	Annual support for software to print checks

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
May 8, 2018**

**EXPIRING CONTRACTS (cont'd)**

	<b>Vendor</b>	<b>Expiration Date</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b><i>Illinois Procurement Code-Small Purchases</i></b>	Sullivan Reporting	10/31/2018	\$9,500	Purchase again via Small Purchase with incumbent.	BOA for Transcription Services
	United Parcel Service	11/21/2018	\$4,000	BidBuy PO with State Master	Package Delivery
	Google Ad 2017-2018	12/3/2018	\$4,500	Purchase again via Small Purchase with incumbent.	IFA Ad Page
	Network Solutions IDFA	12/20/2018	\$39	Purchase again via Small Purchase with incumbent.	Renewal of www.idfa.com
<b><i>Illinois Procurement Code-Competitive Bids</i></b>	ClearArc Capital, Inc. Amend Invest	12/26/2018	\$900,000	RFP?	Investment Management Services
<b><i>Illinois Procurement Code-Sole economically feasible Purchase</i></b>	Bloomberg Finance L.P. - Anywhere	12/30/2018	\$43,200	Sole economically feasible with incumbent.	Bloomberg Terminal License
<b><i>Illinois Procurement Code-Anticipation of Litigation</i></b>	G&R Public Law & Strategies	11/18/2018	\$100,000	TBD	Anticipation of Litigation
	Jenner & Block LLP	12/8/2018	\$250,000	TBD	Anticipation of Litigation
<b><i>Illinois Procurement Code-Order Against Master</i></b>	Enterprise Car Rental	12/31/2018	\$5,000	Continue with State Master. State in process with RFP	Car Rental

Date: May 8, 2018

Subject: *Minutes of the April 10, 2018 Special Meeting*

To: Eric Anderberg, Chairman  
Gila J. Bronner  
James J. Fuentes  
Michael W. Goetz  
Neil Heller  
Robert Horne  
Mayor Arlene A. Juracek

Lerry Knox  
Lyle McCoy  
George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Bradley A. Zeller

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Sullivan Reporting Co. (the “**Minutes**”) in connection with the special meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of April in the year 2018, 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**”).

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY  
SPECIAL MEETING  
Tuesday, April 10, 2018  
9:30 AM

AGENDA:

- I. Call to Order & Roll Call  
(page 3, line 9 through page 5, line 10)
- II. Approval of Agenda  
(page 5, line 11 through page 6, line 2)
- III. Public Comment  
(page 6, lines 3 through 5)
- IV. Chairman’s Remarks  
(page 6, line 6)
- V. Message from the Executive Director  
(page 6, line 7)
- VI. Committee Reports  
(page 6, line 8 through page 7, line 15)
- VII. Presentation and Consideration of New Business  
(page 7, line 16 through page 21, line 23)
- VIII. Presentation and Consideration of Financial Reports



- (page 21, line 24 through page 25, line 18)*
- IX. Monthly Procurement Report  
*(page 25, line 19 through page 26, line 11)*
- X. Correction and Approval of Minutes  
*(page 26, line 12 through page 27, line 4)*
- XI. Other Business  
*(page 27, lines 5 through 7)*
- XII. Closed Session  
*(page 27, lines 8 through 11)*
- XIII. Adjournment  
*(page 27, line 12 through page 28, line 2)*

The Minutes of the special meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Ryan Oechsler  
Associate General Counsel

- Enclosures:
- 1. Minutes of the April 10, 2018 Special Meeting
  - 2. Voting Record of the April 10, 2018 Special Meeting

1 ILLINOIS FINANCE AUTHORITY  
2 SPECIAL MEETING  
3 April 10, 2018, at 9:42 a.m.  
4  
5 REPORT OF PROCEEDINGS had at the Regular  
6 Meeting of the Illinois Finance Authority on  
7 April 10, 2018, at the hour of 9:30 a.m., pursuant  
8 to notice, at 160 North LaSalle Street, Suite S-1000,  
9 Chicago, Illinois.  
10  
11 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS  
12 MR. CHRISTOPHER B. MEISTER, Executive Director  
13 MR. RICH FRAMPTON, Vice President  
14 MS. PAMELA LENANE, Vice President  
15 MR. BRAD FLETCHER, IFA Assistant Vice-President  
16 MS. XIMENA GRANDA, Controller  
17 MR. STANLEY LUBOFF, IFA Vice President, Loans and  
18 Guarantees  
19 MR. RYAN OECHSLER, IFA Associate General Counsel  
20 MS. JANELLA KACZANKO, IFA Human Resources Manager  
21  
22  
23  
24

1 APPEARANCES:  
2 MR. ERIC ANDERBERG, Chairman  
3 MS. GIILA BRONNER  
4 MR. JAMES J. FUENTES  
5 MR. NEIL HELLER  
6 MR. ROBERT HORNE  
7 MS. ARLENE A. JURACEK  
8 MR. LERRY KNOX  
9 MR. LYLE MCCOY  
10 MR. TERRENCE M. O'BRIEN  
11 MR. GEORGE OBERNAGEL  
12 MR. ROGER E. POOLE  
13 MS. BETH SMOOTS  
14 MR. BRADLEY A. ZELLER  
15 MR. MICHAEL W. GOETZ (via audio conference)  
16  
17  
18  
19  
20  
21  
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24

1 CHAIRMAN ANDERBERG: Before we get going, I'd  
2 like to welcome our new member, Neil Heller. Neil  
3 comes from the Bloomington area, and he's been  
4 appointed by the Governor and is awaiting his Senate  
5 confirmation.  
6 So Neil, thank you for joining and  
7 serving on the IFA.  
8 HELLER: Thank you.  
9 CHAIRMAN ANDERBERG: With that, I'll call the  
10 meeting to order. It's 9:42.  
11 FLETCHER: I'll call the roll, now that the  
12 meeting has been called to order. The time is 9:42.  
13 Ms. Bronner?  
14 BRONNER: Here.  
15 FLETCHER: Mr. Fuentes?  
16 FUENTES: Here.  
17 FLETCHER: Mr. Heller?  
18 HELLER: Here.  
19 FLETCHER: Mr. Horne?  
20 HORNE: Here.  
21 FLETCHER: Ms. Juracek?  
22 JURACEK: Here.  
23 FLETCHER: Mr. Knox?  
24 KNOX: Here.

1 FLETCHER: Mr. McCoy?  
2 MCCOY: Here.  
3 FLETCHER: Mr. O'Brien?  
4 O'BRIEN: Here.  
5 FLETCHER: Mr. Obernagel?  
6 OBERNAGEL: Here.  
7 FLETCHER: Mr. Poole?  
8 POOLE: Yes.  
9 FLETCHER: Ms. Smoots?  
10 SMOOTS: Here.  
11 FLETCHER: Mr. Zeller?  
12 ZELLER: Here.  
13 FLETCHER: Mr. Chairman?  
14 CHAIRMAN ANDERBERG: Here.  
15 FLETCHER: Mr. Chairman, a quorum of Members  
16 physically present in the room has been constituted.  
17 At this time, I'd like to ask if any  
18 Members would like to attend via audio conference.  
19 GOETZ: This is Mike Goetz. I'm requesting to  
20 attend via audio conference due to employment  
21 purposes.  
22 CHAIRMAN ANDERBERG: Okay. Is there a motion  
23 to approve his request pursuant to the bylaws --  
24 POOLE: So moved.



1 CHAIRMAN ANDERBERG: -- and policies?  
2 So moved. A second?  
3 BRONNER: Second.  
4 CHAIRMAN ANDERBERG: All those in favor?  
5 (Chorus of ayes.)  
6 CHAIRMAN ANDERBERG: Opposed?  
7 (No response.)  
8 CHAIRMAN ANDERBERG: The ayes have it.  
9 FLETCHER: All right. Mr. Chairman, Member  
10 Goetz has been added to the initial quorum roll call.  
11 CHAIRMAN ANDERBERG: Okay. Does anyone wish to  
12 make any additions, edits or corrections to today's  
13 Agenda?  
14 (No response.)  
15 MEISTER: I'd like to request a motion to  
16 approve the Agenda.  
17 Is there such a motion?  
18 Knox: So moved.  
19 CHAIRMAN ANDERBERG: Is --  
20 JURACEK: Second.  
21 CHAIRMAN ANDERBERG: A motion and a second.  
22 All those in favor?  
23 (Chorus of ayes.)  
24 CHAIRMAN ANDERBERG: Opposed?

1 (No response.)  
2 CHAIRMAN ANDERBERG: The ayes have it.  
3 Is there any public comment for the  
4 Members?  
5 (No response.)  
6 CHAIRMAN ANDERBERG: Okay. I have no remarks.  
7 MEISTER: I have no remarks.  
8 CHAIRMAN ANDERBERG: Okay. Committee Reports.  
9 Ms. Bronner?  
10 BRONNER: Thank you.  
11 The Audit, Budget, Finance,  
12 Investment, and Procurement Committee met on  
13 April 3rd, 2018, and voted unanimously to recommend  
14 for acceptance the Illinois Finance Authority Fiscal  
15 Year 2017 Financial Audit and Fiscal Years 2016 and  
16 2017 Compliance Examination.  
17 I'd like to add, we had a very nice  
18 conversation with the internal auditors from CMS.  
19 Six did, I thought, also an excellent presentation of  
20 correction action and what the Authority is doing  
21 relative to any of the findings that were a part of  
22 the Compliance Examination. And I have the utmost  
23 confidence that we are on target for addressing them.  
24 That's my report.

1 CHAIRMAN ANDERBERG: Thank you.  
2 Mr. Horne?  
3 MR. HORNE: So the Tax-Exempt Conduit  
4 Transactions Committee met this morning and voted  
5 unanimously to recommend approval of the following  
6 New Business items: The Better Housing Foundation's  
7 Blue Station Project, three Beginning Farmer Bonds,  
8 and the St. Francis High School College Prep Project  
9 resolution.  
10 CHAIRMAN ANDERBERG: Thank you.  
11 Mr. Knox.  
12 KNOX: The Direct and Alternative Finance  
13 Committee Members met earlier this morning and voted  
14 unanimously to recommend for approval the following  
15 new business item: Neighbors.com, LLC.  
16 CHAIRMAN ANDERBERG: Okay. I'd like to ask for  
17 the general consent of the Members to consider New  
18 Business items collectively, and have the subsequent  
19 votes recorded and applied to each respective,  
20 individual item, unless there are any specific New  
21 Business items that a member would like to consider  
22 separately.  
23 Okay. Mr. Frampton?  
24 FRAMPTON: Thank you, Mr. Chairman.

1 Item 1 is a Conduit Private Activity  
2 Bond request. Staff requests your one-time Final  
3 Bond Resolution approval for 2018 Blue Island LLC  
4 Better Housing Foundation Blue Station Project. Bond  
5 proceeds will be used -- will be issued in one or  
6 more series and used by the borrower to finance the  
7 acquisition and renovation of a 345-unit multifamily  
8 apartment project known as Blue Station Apartments in  
9 Blue Island, Illinois. Additionally, bond proceeds  
10 will be used to capitalize certain reserves, pay  
11 certain pre-acquisition due diligence expenses, and  
12 to pay costs of issuance.  
13 It is anticipated that the Bonds will  
14 be comprised of both a Subordinate Tax-Exempt Series  
15 and a Senior Series. The Senior Series will feature  
16 both a Tax-Exempt subseries and a Taxable subseries.  
17 As with the four prior Better Housing Foundation  
18 financings, all series of Bonds are expected to be  
19 investment grade rated by S&P. This will be the  
20 fifth BHF-sponsored acquisition financing through IFA  
21 since July 2016.  
22 Does any Member have any questions or  
23 wish to make a statement?  
24 (No response.)

1 FRAMPTON: Okay. Next, we will move on to Item  
2 2A, which is a Beginning Farmer Bond request.  
3 Staff requests your one-time Final  
4 Bond Resolution approval for Joshua and Nicole Hooks,  
5 who are purchasing 78- -- 76 acres of farmland  
6 located in Effingham County, in the not-to-exceed  
7 amount of \$300,000. First Mid Illinois Bank & Trust  
8 is the purchasing bank for this conduit transaction.  
9 Does any Member have any questions or  
10 wish to make a statement?  
11 (No response.)  
12 FRAMPTON: Next is Item 2B, which is a  
13 Beginning Farmer Bond request.  
14 Staff requests your one-time Final  
15 Bond Resolution approval for Jordan Weidner, who is  
16 purchasing 75 acres of farmland located in Clay  
17 County, in the not-to-exceed amount of \$242,500. The  
18 Peoples State Bank of Newton is the purchasing bank  
19 for this conduit transaction.  
20 Does any Member have any questions or  
21 wish to make a statement?  
22 (No response.)  
23 FRAMPTON: Item 2C, Justin Probst.  
24 Item 2C is a Beginning Farmer Bond

1 request. Staff requests your one-time Final Bond  
2 Resolution approval for Justin Probst, who is  
3 purchasing approximately 48 acres of farmland,  
4 including grain bins, located in Montgomery County,  
5 in the not-to-exceed amount of \$303,000. First  
6 National Bank of Raymond is the purchasing bank for  
7 this conduit transaction.  
8 Does any Member have any questions or  
9 wish to make a statement?  
10 (No response.)  
11 FRAMPTON: Check the print bin. There may have  
12 been a late update on that particular item.  
13 Item 3 is for Neighborhoods.com, LLC.  
14 Item 3 is a Participation Loan request. Staff  
15 requests your one-time final approval for  
16 Neighborhoods.com, LLC. The Authority is being asked  
17 to purchase a loan participation in the amount of  
18 \$275,000, amortized over seven years, to finance part  
19 of the build-out of new office space for the  
20 Borrower.  
21 The participating bank for this  
22 transaction is Wintrust Bank. The Authority's  
23 participation will be subordinated to Wintrust Bank's  
24 potential exposure to the Borrower, and the Bank's

1 and Authority's positions will be secured by a  
2 first-priority blanket lien on all business assets of  
3 the Borrower as well as unlimited joint and several  
4 personal guarantees by each of the Borrower's two  
5 owners.  
6 Does any Member have any questions or  
7 wish to make a statement?  
8 MR. HORNE: I just had a question.  
9 So this is under this new program?  
10 MEISTER: Yes.  
11 MR. HORNE: This was intended for veterans  
12 and --  
13 MEISTER: But we also expanded it to all  
14 businesses, and then with a particular focus on  
15 disability and minority. We have signed up six  
16 banks; we've got a number of other banks, and they've  
17 signed master agreements.  
18 This was the first project that was  
19 ready, and it's -- it was requested by the bank and  
20 provides a benefit to the Borrower, and we think  
21 could be the initial of a more wide-ranging program  
22 using Authority funds.  
23 MR. HORNE: So we're going to broaden the  
24 mission, basically.

1 MEISTER: Yes. There were --  
2 MR. HORNE: Does that kind of put us in the --  
3 becoming, basically a bank?  
4 MEISTER: Actually, Stan Luboff, could you  
5 answer Member Horne's question?  
6 LUBOFF: Certainly. Good morning.  
7 This is an initial request. It is, in  
8 essence, a proof of process. We can show banks that  
9 we're ready to roll. However, I am now working on a  
10 project for a Hispanic-owned printing company in  
11 Rockford. There is also a project from UCB Bank that  
12 involves a veteran-owned Alzheimer's care center, and  
13 we're also looking at the Bank of Belleville for a  
14 woman-owned restaurant. She has a couple of  
15 restaurants in Missouri and she's opening one in  
16 Illinois.  
17 So the idea is, yes, we're certainly  
18 focused our marketing on veterans, minority, woman,  
19 disabled, and farmers and agribusiness. But we do  
20 need to get deals going so that we can prove that we  
21 have a viable product, sir.  
22 MR. HORNE: I understand.  
23 I just -- to me, I read this, like, as  
24 a bank. We're taking a subordinate position to a

1 bank loan-at-risk, and it wasn't really specific to  
 2 the original mission of what this program was  
 3 intended for.

4 LUBOFF: I understand.  
 5 There are four main targets of the --  
 6 of the Authority. We are investing these funds in a  
 7 very careful manner, and we're giving the Authority a  
 8 good return that will enable this to become a  
 9 self-sustaining program.

10 MR. HORNE: Okay.  
 11 LUBOFF: Thank you, sir.  
 12 FRAMPTON: Okay.

13 MEISTER: I think that Member Knox needs to  
 14 leave for another --  
 15 KNOX: Yeah. I have -- unfortunately, I have a  
 16 conflict -- business conflict.

17 Do you need me for the vote for  
 18 quorum?

19 FLETCHER: No.  
 20 KNOX: I'm good?  
 21 FLETCHER: You're good.  
 22 KNOX: Okay.

23 CHAIRMAN ANDERBERG: Thank you, Lerry.  
 24 KNOX: So I ask to be recused. Thank you,

1 everyone.  
 2 FLETCHER: Let the record reflect, please, that  
 3 Member Knox has exited the room.

4 FRAMPTON: I'm going to jump back to Item 2C to  
 5 note the correct facts for the record. The Item, as  
 6 reported in the Board Book and Agenda is correct. So  
 7 just to clarify Item 2C, Justin Probst, Beginning  
 8 Farmer Bond, Staff requests your one-time Final Bond  
 9 Resolution approval for Justin Probst, who is  
 10 purchasing 48 acres of farmland located in Jasper  
 11 County, and the not-to-exceed amount is \$92,500.

12 So those two --  
 13 FLETCHER: Purchasing bank? Peoples Bank?  
 14 FRAMPTON: Yeah. Peoples State Bank is the  
 15 purchaser.

16 Moving on -- moving on, next, Item 4.  
 17 Item 4 is a Resolution on behalf of St. Francis High  
 18 School and Wheaton Bank & Trust Company that will  
 19 authorize execution and delivery of a First Amendment  
 20 to their Series 2010 Bond and Loan Agreement, and  
 21 approve related documents to reset the interest rate  
 22 borne on the Series 2010 Bond for a new term of 10  
 23 years.

24 Approval of this Resolution will

1 provide consent to changes agreed to by the Borrower  
 2 and their Series 2010 Bond Purchaser, Wheaton Bank &  
 3 Trust Company, which is a Wintrust Community Bank.  
 4 Does any Member have any questions or  
 5 wish to make a statement?  
 6 (No response.)  
 7 FRAMPTON: Okay. Next, Item 5.  
 8 Item 5 is a Resolution accepting the  
 9 Illinois Finance Authority Fiscal Year 2017 Financial  
 10 Audit and Fiscal Years 2016 and 2017 Compliance  
 11 Examination, both conducted by Special Assistant  
 12 Auditors for the Illinois Auditor General.  
 13 The Compliance Examination yielded one  
 14 current finding related to Government accounting --  
 15 Government Auditing Standards and eight current  
 16 findings related to state compliance. The Authority  
 17 has taken immediate action to ensure that these  
 18 findings are not repeated.  
 19 A chart detailing the Authority's  
 20 response to each finding and progress in responding  
 21 is in your folders. As you will see, the Authority  
 22 has fully responded to some findings and has taken  
 23 significant steps to respond to the others. The  
 24 Authority also successfully resolved four prior

1 findings which were not repeated.  
 2 Does any Member have any questions or  
 3 wish to make a statement?  
 4 (No response.)  
 5 MEISTER: Next, Item 6, Authorization to  
 6 Contract for Insurance.  
 7 Item 6 is a Resolution authorizing the  
 8 Executive Director to enter into a contract or  
 9 contracts with a vendor for insurance services,  
 10 Alliant/Mesirow, pursuant to a state master contract.  
 11 Such contract or contracts will be for insurance  
 12 brokerage and other insurance services, including  
 13 employee benefits.  
 14 A prior contract with Mesirow for  
 15 insurance brokerage and other services was approved  
 16 by a Resolution adopted July 14, 2016. The Authority  
 17 again contracted with Mesirow in 2017 for similar  
 18 services pursuant to Alliant/Mesirow's state master  
 19 contract.  
 20 A schematic setting forth a  
 21 description of the insurance coverages the Authority  
 22 will obtain pursuant to Mesirow's state master  
 23 contract is in your folders. Note that many of these  
 24 coverages are currently provided to the Authority

1 pursuant to that master contract.  
2 We expect this contract or contracts  
3 with Mesirov to be the final piece in the years-long  
4 effort to transition the Authority away from its  
5 longtime employee benefits and payroll provider.  
6 Does any Member have any questions or  
7 wish to make a statement?  
8 MR. HORNE: Is -- do we do an RFP for  
9 insurance?  
10 MEISTER: Actually, the State does a master RFP  
11 that the Authority has the ability, as a component  
12 part of the State, to avail themselves. So we  
13 used --  
14 MR. HORNE: So you use their buying power to  
15 basically --  
16 MEISTER: Yes. We use their buying power and  
17 their contract, and then what they did -- and then  
18 what -- working with the vendor, they canvassed the  
19 market for both liability and for employee benefits.  
20 There were at least three, sometimes more, products  
21 on -- on each of the these. And the guiding  
22 principles that we used with this process was to be  
23 able to deliver to the Authority and to the employees  
24 the same or better quality, the same or better choice

1 at approximately the same or better price, and we  
2 believe that we have accomplished that.  
3 And Six, who has been leading up this  
4 later -- this effort, along with Janella Kaczanko --  
5 Janella, could you stand up too?  
6 -- who joined us --  
7 MS. JANELLA KACZANKO: Good morning.  
8 MEISTER: -- in January. And she's got a  
9 background in HR and benefits, and they've been  
10 helping -- and she's been helping Six and I move  
11 through this process. But it's a very good result  
12 for the --  
13 MR. HORNE: Sounds good.  
14 MEISTER: -- employees.  
15 MR. HORNE: Sounds good. Thanks.  
16 FRAMPTON: Okay. Next, Item 7: Approval of  
17 Change in Meeting Dates for the Remainder of FY 2018.  
18 Item 7 is a Resolution approving the  
19 change in the dates of the regular meetings remaining  
20 in Fiscal Year 2018, the May and June meetings, from  
21 the second Thursday of each month to the second  
22 Tuesday of those two months.  
23 The meeting scheduled for Thursday,  
24 May 10th will be moved to Tuesday, May the 8th, and

1 the meeting scheduled for Thursday, June 14th will be  
 2 moved to Tuesday, June 12th.  
 3 Does any Member have any questions or  
 4 wish to make a statement?  
 5 (No response.)  
 6 CHAIRMAN ANDERBERG: Thank you, Rich.  
 7 Okay. I'd like to request a motion to  
 8 pass and adopt the following New Business items:  
 9 Items 1, 2A, 2B, 2C, 3, 4, 5, 6, and 7.  
 10 BRONNER: So moved.  
 11 CHAIRMAN ANDERBERG: We have a motion.  
 12 Do we have a second?  
 13 O'BRIEN: Second.  
 14 CHAIRMAN ANDERBERG: A second.  
 15 Will the Assistant Secretary please  
 16 call the roll?  
 17 FLETCHER: Certainly. On the motion and  
 18 second, I will call the roll.  
 19 Ms. Bronner?  
 20 BRONNER: Yes.  
 21 FLETCHER: Mr. Fuentes?  
 22 FUENTES: Yes.  
 23 FLETCHER: Mr. Goetz?  
 24 GOETZ: Yes.

1 FLETCHER: Mr. Heller?  
 2 HELLER: Yes.  
 3 FLETCHER: Mr. Horne?  
 4 HORNE: Yes.  
 5 FLETCHER: Ms. Juracek?  
 6 JURACEK: Yes.  
 7 FLETCHER: Mr. McCoy?  
 8 MCCOY: Yes.  
 9 FLETCHER: Mr. O'Brien?  
 10 O'BRIEN: Yes.  
 11 FLETCHER: Mr. Obernagel?  
 12 OBERNAGEL: Yes.  
 13 FLETCHER: Mr. Poole?  
 14 POOLE: Yes.  
 15 FLETCHER: Ms. Smoots?  
 16 SMOOTS: Yes.  
 17 FLETCHER: Mr. Zeller?  
 18 ZELLER: Yes.  
 19 FLETCHER: And Mr. Chairman?  
 20 CHAIRMAN ANDERBERG: Yes.  
 21 FLETCHER: Mr. Chairman, the motion carries.  
 22 CHAIRMAN ANDERBERG: Thank you.  
 23 Rich?  
 24 FRAMPTON: Moving on, Item 8 is a subject



1 matter discussion item.

2 Item 8 is a status report on the

3 Authority's Asset Ownership and Project Finance

4 Program, and secondly, on the Illinois Medium-Term

5 Healthcare Finance Program. Please note that no vote

6 is required to -- is required with respect to this

7 Agenda Item.

8 Regarding the Authority Asset

9 Ownership and Project Finance Program, the Authority

10 is working with one prospective borrower to develop a

11 financial structure and understands that several

12 other borrowers are interested at this time.

13 Regarding this second program, the

14 Medium-Term Healthcare Finance Program, the Authority

15 has received several inquiries about the program. We

16 will continue to mail information about the program

17 to prospective borrowers as well as make follow-up

18 calls.

19 Does any Member have any questions or

20 wish to make a statement?

21 (No response.)

22 CHAIRMAN ANDERBERG: Thank you, Rich.

23 FRAMPTON: Okay. Thank you.

24 CHAIRMAN ANDERBERG: Financial Reports.

1 GRANDA: Good morning, everyone. I will be

2 presenting the Financial Statements as of March 31st,

3 2018. Due to the short time between March 31st and

4 Board Book printing, the Financial Statements along

5 with the Financial Analysis Memo is in your folders.

6 The financial highlight for the

7 General Fund is as follows: Our total annual revenues

8 are at \$4.2 million and are \$1.1 or 38.1 percent

9 higher than budget. This is due to higher closing

10 fees that were generated in November and December.

11 In March, the Authority generated

12 \$222,000 in closing fees, which is \$19,000 lower than

13 the monthly budget of \$241,000.

14 Our total annual expenses equals

15 \$2.5 million, and are \$454,000 or 15.3 percent lower

16 than budget, which was mostly driven by a reduction

17 in spending on professional services and

18 employee-related expenses.

19 In March, the Authority recorded

20 operating expenses of \$361,000, which was higher by

21 \$52,000 from the budget amount of \$309,000. The

22 variance is due to a slight increase in professional

23 services due to untimely receipt of invoices.

24 Our total monthly net income is at

1 \$64,000, which was driven by an unexpected annual fee  
 2 from FC Harris Pavilion Bond issue from 2004. The  
 3 annual fee was about \$70,000.  
 4 Our total annual net income is at \$1.6  
 5 million. The major drivers of this positive bottom  
 6 line is due to the compressed bond project closing  
 7 activity in November and in December of 2017 as well  
 8 as lower than expected expenses.  
 9 Our general fund continues to maintain  
 10 a strong balance sheet with a net position of \$58.3  
 11 million, and unrestricted cash and investments of  
 12 about \$45 million.  
 13 As most of you know, back in  
 14 September 12 of 2017, the Authority issued the Clean  
 15 Water Initiative Bonds Series 2017 on behalf of the  
 16 Illinois Environmental Protection Agency in the  
 17 amount of about \$560 million. As of March 31st,  
 18 2018, \$373.1 million or 63.4 percent of the Series --  
 19 of the Series 2017 have been disbursed to projects.  
 20 A listing of those projects are included in your  
 21 manila folders.  
 22 Are there any questions on the  
 23 Financial Analysis?  
 24 (No response.)

1 GRANDA: All right. Moving on to our favorite  
 2 topic, which is Audit.  
 3 As Ms. Bronner mentioned, on  
 4 April 3rd, 2017, the Audit Plus Committee met. The  
 5 Fiscal Year 2017 Financial Audit and the Two-Year  
 6 2016 and 2017 Compliance Examination were discussed.  
 7 The Authority had nine material  
 8 findings and seven immaterial findings. The findings  
 9 were discussed in the April 3rd meeting and an audit  
 10 finding tracking plan was presented. A copy of that  
 11 audit tracking -- find -- audit finding tracking plan  
 12 is included in your folders.  
 13 Five of the nine material findings and  
 14 six of the immaterial findings have been addressed  
 15 and corrected. The Authority will continue to work  
 16 on the remaining findings.  
 17 Finally, the Central Management  
 18 Services internal auditors, also present at the  
 19 meeting, they presented a draft of the -- one of the  
 20 drafts of the audits that they have performed. They  
 21 did report two material findings and one immaterial  
 22 findings. These findings are similar findings that  
 23 were already discussed in the Compliance  
 24 Examinations. The Authority will continue to work on

1 addressing and correcting these findings.  
2 Are there any questions?  
3 (No response.)  
4 GRANDA: Thank you.  
5 FLETCHER: Let the record reflect, please,  
6 before we take a vote to consider financial reports,  
7 Member O'Brien briefly exited the room.  
8 CHAIRMAN ANDERBERG: Thank you, Six. I'd like  
9 to request a motion to accept the Financial Reports.  
10 POOLE: So moved.  
11 CHAIRMAN ANDERBERG: Is there such a motion?  
12 FUENTES: Second.  
13 CHAIRMAN ANDERBERG: A motion and a second.  
14 All those in favor?  
15 (Chorus of ayes.)  
16 CHAIRMAN ANDERBERG: Opposed?  
17 (No response.)  
18 CHAIRMAN ANDERBERG: The ayes have it.  
19 Procurement Report.  
20 MEISTER: The Associate General Counsel, Ryan  
21 Oechsler, will be presenting the Procurement Report  
22 because Mr. Franzen is ill today.  
23 OECHSLER: Thank you. Good morning,  
24 Mr. Chairman, Members of the Board.

1 From the Procurement Report, you can  
2 see that we have executed the financial advisor  
3 extension to allow time for a request for proposal  
4 process. We've also executed a number of small  
5 purchases to support Authority operations, and we now  
6 use the new State e-procurement system called BidBuy  
7 for many of these purchases.  
8 If there any questions, I'll do my  
9 best to answer.  
10 (No response.)  
11 OECHSLER: Thank you.  
12 CHAIRMAN ANDERBERG: Correction and Approval of  
13 Minutes.  
14 Does anyone wish to make any  
15 additions, edits, or corrections to the Minutes from  
16 February 8th or February 15th of this year?  
17 (No response.)  
18 CHAIRMAN ANDERBERG: Hearing none, I'd like to  
19 request a motion to approve each of the Minutes.  
20 Is there such a motion?  
21 BRONNER: So moved.  
22 OBERNAGEL: Second.  
23 CHAIRMAN ANDERBERG: A motion and a second.  
24 All those in favor?

1 (Chorus of ayes.)  
 2 CHAIRMAN ANDERBERG: Opposed?  
 3 (No response.)  
 4 CHAIRMAN ANDERBERG: The ayes have it.  
 5 Is there any other business to come  
 6 before the Members?  
 7 (No response.)  
 8 CHAIRMAN ANDERBERG: Hearing none, is there any  
 9 matter of discussion -- for discussion in closed  
 10 session?  
 11 (No response.)  
 12 CHAIRMAN ANDERBERG: Okay. The next regular  
 13 meeting will be May 8th, and I'd like to request a  
 14 motion to adjourn.  
 15 Is there such a motion?  
 16 MR. HORNE: So moved.  
 17 CHAIRMAN ANDERBERG: A motion --  
 18 McCOY: Second.  
 19 CHAIRMAN ANDERBERG: -- and a second.  
 20 All those in favor?  
 21 (Chorus of ayes.)  
 22 CHAIRMAN ANDERBERG: Opposed?  
 23 (No response.)  
 24 CHAIRMAN ANDERBERG: The ayes have it.

1 Thank you, everybody.  
 2 FLETCHER: The time is 10:07 a.m.  
 3 (Whereupon the matter  
 4 above was adjourned.)

1 STATE OF ILLINOIS. )

) SS:

2 COUNTY OF COOK )

3 Brad Benjamin, being first duly sworn on oath,  
4 says that he is a Certified Shorthand Reporter, that  
5 he reported in shorthand the proceedings given at the  
6 taking of said hearing, and that the foregoing is a  
7 true and correct transcript of his shorthand notes so  
8 taken as aforesaid and contains all the proceedings  
9 given at said Illinois Finance Authority Meeting.

Certified Shorthand Reporter

No. 084-004805

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ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE  
ADOPTED

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Fuentes

NV Goetz

(VIA AUDIO CONFERENCE)

Y Heller

Y Horne

Y Juracek

Y Knox

Y McCoy

Y O'Brien

Y Obernagel

Y Poole

Y Smoots

Y Zeller

Y Mr. Chairman

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
APRIL 10, 2018 AGENDA OF THE SPECIAL MEETING OF THE MEMBERS  
ADOPTED

April 10, 2018

14 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Fuentes

Y Goetz

(VIA AUDIO CONFERENCE)

Y Heller

Y Horne

Y Juracek

Y Knox

Y McCoy

Y O'Brien

Y Obernagel

Y Poole

Y Smoots

Y Zeller

Y Mr. Chairman

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-TE01  
501(c)(3) REVENUE BOND – 2018 BLUE ISLAND LLC (BETTER HOUSING  
FOUNDATION BLUE STATION PROJECT)  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Juracek

Y Poole

Y Fuentes

NV Knox

Y Smoots

Y Goetz

Y McCoy

Y Zeller

(VIA AUDIO CONFERENCE)

Y Heller

Y O'Brien

Y Mr. Chairman

Y Horne

Y Obernagel

\* – Consent Agenda



ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-TE2A  
BEGINNING FARMER REVENUE BOND – JOSHUA P. AND NICHOLE E. HOOKS  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Juracek

Y Poole

Y Fuentes

NV Knox

Y Smoots

Y Goetz

Y McCoy

Y Zeller

(VIA AUDIO CONFERENCE)

Y Heller

Y O'Brien

Y Mr. Chairman

Y Horne

Y Obernagel

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-TE2B  
BEGINNING FARMER REVENUE BOND – JORDAN WEIDNER  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Fuentes

Y Goetz

(VIA AUDIO CONFERENCE)

Y Heller

Y Horne

Y Juracek

NV Knox

Y McCoy

Y O'Brien

Y Obernagel

Y Poole

Y Smoots

Y Zeller

Y Mr. Chairman

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-TE2C  
BEGINNING FARMER REVENUE BOND – JUSTIN PROBST  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Juracek

Y Poole

Y Fuentes

NV Knox

Y Smoots

Y Goetz

Y McCoy

Y Zeller

(VIA AUDIO CONFERENCE)

Y Heller

Y O'Brien

Y Mr. Chairman

Y Horne

Y Obernagel

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-DA03  
PARTICIPATION LOAN – NEIGHBORHOODS.COM, LLC  
PASSED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Fuentes

Y Goetz

(VIA AUDIO CONFERENCE)

Y Heller

Y Horne

Y Juracek

NV Knox

Y McCoy

Y O'Brien

Y Obernagel

Y Poole

Y Smoots

Y Zeller

Y Mr. Chairman

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-TE04  
RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF  
A FIRST AMENDMENT TO THE BOND AND LOAN AGREEMENT DATED AS OF  
DECEMBER 1, 2010 UNDER WHICH THE BONDS WERE ISSUED AND SOLD TO  
WHEATON BANK & TRUST COMPANY AND APPROVING THE EXECUTION OF  
CERTAIN OTHER AGREEMENTS RELATING TO THE ISSUANCE OF THE BONDS; AND  
RELATED MATTERS (ST. FRANCIS HIGH SCHOOL COLLEGE PREPARATORY  
PROJECT)  
ADOPTED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Juracek

Y Poole

Y Fuentes

NV Knox

Y Smoots

Y Goetz

Y McCoy

Y Zeller

(VIA AUDIO CONFERENCE)

Y Heller

Y O'Brien

Y Mr. Chairman

Y Horne

Y Obernagel

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-AP05  
RESOLUTION TO ACCEPT THE FISCAL YEAR 2017 FINANCIAL AUDIT  
AND THE FISCAL YEARS 2016 & 2017 COMPLIANCE EXAMINATION  
ADOPTED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Fuentes

Y Goetz

(VIA AUDIO CONFERENCE)

Y Heller

Y Horne

Y Juracek

NV Knox

Y McCoy

Y O'Brien

Y Obernagel

Y Poole

Y Smoots

Y Zeller

Y Mr. Chairman

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-AP06  
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER  
INTO ONE OR MORE CONTRACTS WITH MESIROW INSURANCE  
SERVICES, INC. AND ONE OR MORE OF ITS AFFILIATES OR OTHER  
PROVIDERS FOR THE PROVISION OF INSURANCE BROKERAGE AND  
OTHER INSURANCE SERVICES, INCLUDING EMPLOYEE BENEFITS  
ADOPTED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Juracek

Y Poole

Y Fuentes

NV Knox

Y Smoots

Y Goetz

Y McCoy

Y Zeller

(VIA AUDIO CONFERENCE)

Y Heller

Y O'Brien

Y Mr. Chairman

Y Horne

Y Obernagel

\* – Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2018-0410-GP07  
RESOLUTION APPROVING CHANGES IN THE DATES OF REGULAR  
MEETINGS FOR THE REMAINDER OF FISCAL YEAR 2018  
ADOPTED\*

April 10, 2018

13 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Juracek

Y Poole

Y Fuentes

NV Knox

Y Smoots

Y Goetz

Y McCoy

Y Zeller

(VIA AUDIO CONFERENCE)

Y Heller

Y O'Brien

Y Mr. Chairman

Y Horne

Y Obernagel

\* – Consent Agenda



ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
FEBRUARY 8, 2018 MINUTES OF REGULAR MEETING OF THE MEMBERS AND  
FEBRUARY 15, 2018 MINUTES OF THE SPECIAL MEETING OF THE MEMBERS  
ADOPTED

April 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y Bronner

Y Fuentes

Y Goetz

(VIA AUDIO CONFERENCE)

Y Heller

Y Horne

Y Juracek

NV Knox

Y McCoy

NV O'Brien

Y Obernagel

Y Poole

Y Smoots

Y Zeller

Y Mr. Chairman