

February 12, 2013

**\$18,000,000**

**American College of Chest Physicians**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be issued on behalf of the <b>American College of Chest Physicians</b> (“ACCP”, the “College”, or the “Borrower”) and used, together with certain other funds, to (i) finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, design, development, construction, improvement, furnishing and equipping of certain new educational and training facilities, including, without limitation, one or more simulators, an auditorium, classrooms, administrative offices and various other educational and training facilities, and including site improvements, landscaping and improvements to roads, walkways and parking lots, all at 2595 Patriot Boulevard, Glenview, Illinois (collectively, the “Project”), (ii) finance a portion of the interest on the Bond (as hereinafter defined), (iii) finance certain working capital expenditures related to the Project if deemed necessary or desirable by the College, (iv) fund a debt service reserve fund if deemed necessary or desirable by the College and (v) pay certain costs relating to the issuance of the Bond if deemed necessary or desirable by the College, all as permitted under the Act (collectively, the Project and items (ii) through (v) above, the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bond</p> <p><b>Extraordinary Conditions:</b> None.</p>																				
<b>BOARD ACTION</b>	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 1/08/2013: Yeas: 11; Nays: 0; Abstentions: 0; Absent: 3 (Barclay, Brandt, Leonard); Vacancy: 1</p>																				
<b>MATERIAL CHANGES</b>	<p>None.</p>																				
<b>JOB DATA</b>	<table border="0"> <tr> <td style="text-align: center;">92</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">16</td> <td style="text-align: center;">New jobs projected (12-24 months)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">100</td> <td style="text-align: center;">Construction jobs projected (12 months)</td> </tr> </table>	92	Current jobs	16	New jobs projected (12-24 months)	N/A	Retained jobs	100	Construction jobs projected (12 months)												
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>● Location: Glenview / Cook County / Northeast</li> <li>● Type of entity: American College of Chest Physicians is an Illinois not-for-profit corporation and 501(c)(3) organization. The mission of the American College of Chest Physicians is to promote the prevention, diagnosis, and treatment of chest diseases (including cardiopulmonary diseases), critical care, and sleep medicine through education, communication, and research. The ACCP is a global organization comprised of 18,700 members located in 100 countries.</li> <li>● American College of Chest Physicians is also the sole member of its philanthropic arm, The CHEST Foundation, which is a 501(c)(3) supporting foundation incorporated in the State of Illinois in 1996.</li> </ul>																				
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>● The Borrower is a non-rated entity.</li> <li>● The IFA 501(c)(3) Revenue Bond (American College of Chest Physicians Project), Series 2013 will be purchased directly by <b>North Shore Community Bank &amp; Trust Co.</b> (Wintrust Financial) (the “<b>Bank</b>” or “<b>Bond Purchaser</b>”). The Bank will be the secured lender and the direct bond investor.</li> </ul>																				
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>● The Bank is expected to be secured by a first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the real property of the Borrower located at 2595 Patriot Blvd., Glenview (Cook County), Illinois 60026.</li> <li>● Additionally, until the ACCP sells its present facility located at 3300 Dundee Road, Northbrook (Cook County), IL 60062, the Bank will also be secured by a mortgage on the Northbrook facility. (Upon sale of the Northbrook facility, ACCP intends to pay down the conventional term loan on the new facility in Glenview.)</li> </ul>																				
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>● Not-to-exceed 30 Years</li> </ul>																				
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>● North Shore Community Bank &amp; Trust Co. (Wintrust Financial) will establish an interest rate with an initial term of 10 years. The initial interest rate will be negotiated and established prior to closing and is currently estimated at between 2.50% and 3.50%.</li> </ul>																				
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bond</td> <td style="text-align: right;">\$18,000,000</td> <td>Project costs</td> <td style="text-align: right;">\$22,159,200</td> </tr> <tr> <td>Conventional Term Loan</td> <td style="text-align: right;"><u>6,000,000</u></td> <td>Capitalized Interest</td> <td style="text-align: right;">390,000</td> </tr> <tr> <td></td> <td></td> <td>Legal &amp; Professional/ Contingency</td> <td style="text-align: right;"><u>1,450,800</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$24,000,000</b></td> <td><b>Total</b></td> <td style="text-align: right;"><b>\$24,000,000</b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bond	\$18,000,000	Project costs	\$22,159,200	Conventional Term Loan	<u>6,000,000</u>	Capitalized Interest	390,000			Legal & Professional/ Contingency	<u>1,450,800</u>	<b>Total</b>	<b>\$24,000,000</b>	<b>Total</b>	<b>\$24,000,000</b>
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<b>RECOMMENDATION</b>	<p>Credit Review Committee recommends approval.</p>																				

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
February 12, 2013**

**Project: American College of Chest Physicians**

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**STATISTICS**

Project Number:	N-NP-TE-CD-8596	Amount:	\$18,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Glenview	County/	
		Region:	Cook County/Northeast

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**BOARD ACTION**

Final Bond Resolution	
Conduit 501(c)(3) Revenue Bond	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

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**VOTING RECORD**

Preliminary Bond Resolution approved 1/08/2013:  
Yeas: 11; Nays: 0; Abstentions: 0; Absent: 3 (Barclay, Brandt, Leonard); Vacancy: 1

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**PURPOSE**

Bond proceeds will be issued on behalf of the **American College of Chest Physicians** (“ACCP”, the “College”, or the “Borrower”) and used, together with certain other funds, to (i) finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, design, development, construction, improvement, furnishing and equipping of certain new educational and training facilities, including, without limitation, one or more simulators, an auditorium, classrooms, administrative offices and various other educational and training facilities, and including site improvements, landscaping and improvements to roads, walkways and parking lots, all at 2595 Patriot Boulevard, Glenview, Illinois (collectively, the “Project”), (ii) finance a portion of the interest on the Bond (as hereinafter defined), (iii) finance certain working capital expenditures related to the Project if deemed necessary or desirable by the College, (iv) fund a debt service reserve fund if deemed necessary or desirable by the College and (v) pay certain costs relating to the issuance of the Bond if deemed necessary or desirable by the College, all as permitted under the Act (collectively, the Project and items (ii) through (v) above, the “Financing Purposes”).

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**IFA PROGRAM AND CONTRIBUTION**

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

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bond	\$18,000,000	Uses:	Project Costs	\$22,159,200
	Conventional Term Loan	<u>6,000,000</u>		Capitalized Interest	390,000
				Legal & Professional/Contingency	<u>1,450,800</u>
<b>Total</b>		<b><u>\$24,000,000</u></b>	<b>Total</b>		<b><u>\$24,000,000</u></b>

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**JOBS**

Current employment:	92	Projected new jobs:	16 (12-24 months)
Jobs retained:	N/A	Construction jobs:	100 (12 months)

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## FINANCING SUMMARY

Structure/ Security:	The Bond will be purchased directly by <b>North Shore Community Bank &amp; Trust Co.</b> (the “ <b>Bank</b> ” or “ <b>Bond Purchaser</b> ”) and held as an investment. The Bank is expected to be secured by a valid, perfected, first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the real property associated with the Project.
Interest Rate:	The Bank is expected to establish an initial interest rate for 10 years (with reset provisions at the end of the initial term), amortized over 30 years. During the construction period, interest-only payments will be made; monthly principal and interest payments will begin thereafter (anticipated in the second year). The interest rate will be set at pre-closing based on prevailing market conditions, currently estimated at between 2.50% and 3.50%.
Maturity:	Final maturity date – 30 years from issuance date. Wintrust Financial Corporation’s initial interest rate period will be set for an initial term of 10 years (with corresponding reset provisions periodically thereafter).
Estimated Closing Date:	February 2013
Rationale:	<p>The proposed Bond will reduce monthly payments that will help the American College of Chest Physicians keep its fixed charges (including debt service payments) as low as possible.</p> <p>The new ACCP building will include new administrative headquarters and provide for expanded professional educational and training facilities for Chest Physicians and other health professionals. The new facility will provide improved access to innovations in care (including the increased availability of new training simulators), ultimately improving the health and quality of life for the general public. The Project will be a significant employer and integral in the continued build-out of The Glen, a mixed-use development in Glenview (<a href="http://www.theglentowncenter.com">www.theglentowncenter.com</a>) located on the site of the former Glenview Naval Air Station.</p> <p>The new educational and professional training facilities will provide expanded onsite training capabilities and capacity. The new location within The Glen will offer ACCP training attendees nearby hotel and dining options and drive increased spending at other local businesses while retaining the ACCP’s operations in the area. The new, approximately 48,500 square foot building will be Silver LEED-certified and is expected to be completed in Fall 2013.</p>

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## PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be issued on behalf of the **American College of Chest Physicians** (“**ACCP**”, the “**College**”, or the “**Borrower**”) and used, together with certain other funds, to (i) finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, design, development, construction, improvement, furnishing and equipping of certain new educational and training facilities, including, without limitation, one or more simulators, an auditorium, classrooms, administrative offices and various other educational and training facilities, and including site improvements, landscaping and improvements to roads, walkways and parking lots, all at 2595 Patriot Boulevard, Glenview, Illinois (collectively, the “**Project**”), (ii) finance a portion of the interest on the Bond (as hereinafter defined), (iii) finance certain working capital expenditures related to the Project if deemed necessary or desirable by the College, (iv) fund a debt service reserve fund if deemed necessary or desirable by the College and (v) pay certain costs relating to the issuance of the Bond if deemed necessary or desirable by the College, all as permitted under the Act (collectively, the Project and items (ii) through (v) above, the “**Financing Purposes**”).

The estimated Project Costs are comprised of the following items (subject to change):

Land Acquisition	\$2,550,000
New Construction	15,938,783
Machinery/Equip.	1,682,033
Architectural & Engineering	1,988,384
Legal & Professional	840,471
Contingency	610,329
Capitalized Interest	<u>390,000</u>
<b>Total</b>	<b>\$24,000,000</b>

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### BUSINESS SUMMARY

Description: The **American College of Chest Physicians** (“ACCP” or the “**Borrower**”) was established in 1935 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

ACCP is governed by a 17-member Board of Regents (see p. 5).

Background: The mission of the American College of Chest Physicians is to promote the prevention, diagnosis, and treatment of chest diseases through education, communication, and research. The ACCP was incorporated on July 31, 1942 and its vision is to be the global leader in providing education in cardiopulmonary, critical care, and sleep medicine and to promote diversity to optimize health, advance patient care, and support research while fostering health equity. The ACCP, a global organization comprised of 18,700 members located in 100 countries, offers a breadth of innovative continuing medical education courses, publishes a leading journal, *CHEST*, confers a variety of clinical research awards, and engages in state-of-the-art simulation training. By embracing a multidisciplinary membership and a diverse and innovative approach to education techniques, the ACCP has become the global leader in providing clinical education in pulmonary, critical care, and sleep medicine.

As a certified provider of globally recognized continuing medical education, the ACCP understands the need for diverse and innovative education techniques that focus on best practices and learner-centered strategies. The ACCP Simulation Education Program combines evidence-based medicine with highly sophisticated simulation education techniques and advanced hands-on learning for practicing physicians and their teams. The ACCP Simulation Program provides numerous courses throughout the year, located at ACCP headquarters in Northbrook, Illinois; regional locations in the United States; and key locations around the world. The ACCP also incorporates simulation education into its Advanced Clinical Training Certificate Programs that provide physicians with the opportunity to refresh or master their skills in critical care ultrasonography, bronchoscopy, airways management, mechanical ventilation, and critical care management. In addition to simulation, the ACCP has implemented diverse education methods beyond the standard lecture, including problem- and case-based learning, role-playing, and other techniques. Each year, the ACCP conducts a 5-day annual scientific program around the country to ensure its members and other health-care professionals are exposed to the latest developments in the field of chest medicine.

The ACCP also develops clinical practice guidelines in disciplines encompassed by its members. These guidelines serve as a vehicle to ensure optimal care at the bedside. The ACCP’s anti-thrombotic guidelines represent the premier standard of care. The College is also well known for its lung cancer diagnosis and treatment guidelines. The ACCP is also committed to ensuring that patients are well informed about prevention and treatment options relating to lung disease. It has a robust library of patient education materials that span from understanding a diagnosis to learning how to use devices relating to the treatment of respiratory diseases. Through its website, [chestnet.org](http://chestnet.org), members, clinicians, and patients are able to access its vast educational resources.

The College has been associated with discovering the causal relationship between smoking and lung cancer in the 1950s and has supported tobacco prevention and cessation. The ACCP also led the way to ban smoking on airplanes.

The ACCP produces and distributes monthly publications in print and online. ACCP's premier peer-reviewed publication *CHEST* features cutting-edge research and relevant insights in clinical chest medicine through print, online, and mobile editions. More than 350,000 readers turn to *CHEST* online each month for the latest in pulmonary, critical care, and sleep medicine. Through the *CHEST* journal website, readers are able to access current articles as well as those archived back to 1935. The College also publishes a monthly newspaper, *CHEST Physician*, that is distributed to an audience of 23,000 and combines articles about the latest developments in chest medicine as well as including news from the College. *ACCP NewsBrief*, a weekly e-newsletter for members, offers a variety of resources to aid in continuing education and practice management.

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### ECONOMIC DISCLOSURE STATEMENT

Applicant: American College of Chest Physicians, 3300 Dundee Road, Northbrook, IL 60062  
Contact: Mr. P. Stratton Davies, CPA, Senior Vice President and Chief Financial Officer:  
(T) 847-498-8330; email: [sdavies@chestnet.org](mailto:sdavies@chestnet.org)  
Website: [www.chestnet.org](http://www.chestnet.org)  
Site Locations: 2595 Patriot Blvd., Glenview (Cook County), IL 60026  
Project name: IFA 501(c)(3) Revenue Bond (American College of Chest Physicians Project), Series 2013  
Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code  
ACCP Board: The Board of Regents is the governing body of the ACCP and is composed of the following members:

- The President
- The President-Elect
- The President-Designate
- The Immediate Past President
- The Chair of the Council of Governors
- The Chair of the Council of NetWorks
- The Chair of the Council of Global Governors
- The CHEST Foundation, President and Trustee
- Nine Regents-at-Large

#### 2012-2013 ACCP Board of Regents

Darcy D. Marciniuk, MD, FCCP, *President and Chair*  
Michael Baumann, MD, FCCP, *President-Elect and Vice-Chair*  
Curtis Sessler, MD, FCCP, *President-Designate*  
Suhail Raoof, MBBS, FCCP, *Immediate Past President*  
Francis J. Podbielski, MD, FCCP, *Chair, Council of Governors and Membership*  
Burton Lesnick, MD, FCCP, *Chair, Council of NetWorks*  
Panagiotis K. Behrakis, MD, FCCP, *Chair, Council of Global Governors*  
John Studdard, MD, FCCP, *The CHEST Foundation, President and Trustee*

#### Regents-at-Large

Robert Aranson, MD, FCCP  
Clayton T. Cowl, MD, FCCP  
Richard M. Hamrick III, MD, FCCP  
Susan M. Harding, MD, FCCP  
Angeline A. Lazarus, MBBS, FCCP  
Scott Manaker, MD, PhD, FCCP  
Janet R. Maurer, MD, FCCP  
Barbara A. Phillips, MD, FCCP  
Gerard A. Silvestri, MD, FCCP

**Ex Officio Members**

Paul A. Markowski, CAE, Secretary, *ACCP Executive Vice President & CEO*  
Alan Fein, MD, FCCP, *Vice-Chair, Council of Governors*  
Thomas Fuhrman, MD, FCCP, *Vice-Chair, Council of Networks*  
Richard S. Irwin, MD, Master FCCP, CHEST, *Editor in Chief*  
Paraschiva A. Postolache, MD, FCCP, *Vice-Chair, Council of Global Governors*

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Vedder Price P.C.	Chicago, IL	Michael Reed
Auditor:	Crowe Horwath LLP	Chicago, IL	Stuart Miller
Borrower's Advisor:	Mickeni, LLC	Chicago, IL	Ken Kerzner
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke
Bank/Direct Bond Purchaser:	North Shore Community Bank & Trust Co. (Wintrust Financial Corp.)	Skokie, IL and Chicago, IL	Kandace Lenti, Melissa Mancini
Bank/Purchaser's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Architect:	Perkins + Will	Chicago, IL	Michael Palmer
General Contractor:	Pepper Construction	Tinley Park, IL	Brian Forsythe
IFA Counsel:	Holland & Knight LLP	Chicago, IL	Barb Adams
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

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**LEGISLATIVE DISTRICTS**

Congressional:	10
State Senate:	29
State House:	57

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