



March 10, 2016

**\$135,000,000  
Westminster Place and Lake Forest Place, LLC (Presbyterian Homes  
Obligated Group)**

|                          |  |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
|--------------------------|--|-----------------------------|-----------------------------|--------------------|---|--------------------|--------------|-----------------------------|---------------|-----------------------|-------------|--------------|-------------|--------------------|---------------------|--------------------|--------------------|--------------|-----------------------------|--------------|-----------------------------|
| <b>REQUEST</b>           | <p><b>Purpose:</b> Bond proceeds, together with other available funds, will be used by Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group) (“Borrowers”) to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>  |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>BOARD ACTIONS</b>     | <p>Final Bond Resolution<br/>Voting Record (February 11, 2016) – Preliminary Bond Resolution – 12 Yeas; 0 Nays; 0 Abstain; 3 Absent (O’Brien; Tessler; Yonover); 0 Vacancies.</p>  |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>MATERIAL CHANGES</b>  | None.  |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>JOB DATA</b>          | <table border="0"> <tr> <td>Current jobs</td> <td>795</td> <td>New jobs projected</td> <td>0</td> </tr> <tr> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> <td>50</td> </tr> </table>   | Current jobs                | 795                         | New jobs projected | 0 | Retained jobs      | N/A          | Construction jobs projected | 50            |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| Current jobs             | 795  | New jobs projected          | 0                           |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| Retained jobs            | N/A  | Construction jobs projected | 50                          |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>DESCRIPTION</b>       | <ul style="list-style-type: none"> <li>• Locations: Evanston, Lake Forest</li> <li>• On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the “Corporation”) became the sole member directly or indirectly of six subsidiaries, two of which are the Borrowers, (collectively with the Corporation, the "System"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area.</li> <li>• Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day.</li> </ul> |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>CREDIT INDICATORS</b> | <ul style="list-style-type: none"> <li>• The Bonds will be comprised of two series of bonds: 2016A Fixed Rate Bonds sold through a public offering, and 2016B Floating Rate Notes sold through a public offering. The Borrower has applied for a rating from Standard &amp; Poor’s (“S&amp;P”) for the 2016 Floating Rate Notes and to Fitch Ratings for ratings on both series. Ratings are expected to be awarded at the time of printing the Preliminary Official Statement. The bonds will carry an investment grade rating.</li> </ul>  |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>SECURITY</b>          | <ul style="list-style-type: none"> <li>• Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.</li> </ul>   |                             |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>MATURITY</b>          | <ul style="list-style-type: none"> <li>• Bonds will mature no later than 2040.</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>Series 2016A Bonds</td> <td>\$66,675,000</td> <td>Refunding</td> <td>\$104,415,000</td> </tr> <tr> <td>Series 2016 A Premium</td> <td>\$8,915,058</td> <td>Project Fund</td> <td>\$9,325,000</td> </tr> <tr> <td>Series 2016B Bonds</td> <td><u>\$40,000,000</u></td> <td>Costs of Issuance*</td> <td><u>\$1,850,058</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$115,590,058</u></b></td> <td><b>Total</b></td> <td><b><u>\$115,590,058</u></b></td> </tr> </table> <p>*Estimated</p>  | <b>Sources:</b>             |                             | <b>Uses:</b>       |   | Series 2016A Bonds | \$66,675,000 | Refunding                   | \$104,415,000 | Series 2016 A Premium | \$8,915,058 | Project Fund | \$9,325,000 | Series 2016B Bonds | <u>\$40,000,000</u> | Costs of Issuance* | <u>\$1,850,058</u> | <b>Total</b> | <b><u>\$115,590,058</u></b> | <b>Total</b> | <b><u>\$115,590,058</u></b> |
| <b>Sources:</b>          |  | <b>Uses:</b>                |                             |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| Series 2016A Bonds       | \$66,675,000   | Refunding                   | \$104,415,000               |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| Series 2016 A Premium    | \$8,915,058  | Project Fund                | \$9,325,000                 |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| Series 2016B Bonds       | <u>\$40,000,000</u>  | Costs of Issuance*          | <u>\$1,850,058</u>          |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |
| <b>Total</b>             | <b><u>\$115,590,058</u></b>  | <b>Total</b>                | <b><u>\$115,590,058</u></b> |                    |   |                    |              |                             |               |                       |             |              |             |                    |                     |                    |                    |              |                             |              |                             |

**RECOMMENDATION**

Credit Review Committee recommends approval

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 March 10, 2016**

**Project: Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)**

**STATISTICS**

|                                  |   |
|----------------------------------|---|
| Project Number: 12324            | Amount: \$135,000,000 (not-to-exceed)                       |
| Type: 501(c)(3) Revenue Bonds    | IFA Staff: Pam Lenane and Tammy Harter                      |
| Locations: Evanston, Lake Forest | County/Region: Cook County/Northeast, Lake County/Northeast |

**BOARD ACTION**

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

**PURPOSE**

The proceeds will be used by the Borrowers together with other available funds to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

| <b>Sources:</b>       |                             | <b>Uses:</b>       |                             |
|-----------------------|-----------------------------|--------------------|-----------------------------|
| Series 2016A Bonds    | \$66,675,000                | Refunding          | \$104,415,000               |
| Series 2016 A Premium | \$8,915,058                 | Project Fund       | \$9,325,000                 |
| Series 2016B Bonds    | <u>\$40,000,000</u>         | Costs of Issuance* | <u>\$1,850,058</u>          |
| <b>Total</b>          | <b><u>\$115,590,058</u></b> | <b>Total</b>       | <b><u>\$115,590,058</u></b> |

\*Estimated

**JOBS**

|                         |                       |
|-------------------------|-----------------------|
| Current employment: 795 | Projected new jobs: 0 |
| Jobs retained: N/A      | Construction jobs: 50 |

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### FINANCING SUMMARY

|                         |  |
|-------------------------|--|
| Credit Enhancement:     | None   |
| Structure:              | Fixed rate serial and term bonds and a Floating Rate note, both tax exempt and sold through a public offering by Ziegler based on underlying rating of the Borrower.   |
| Interest Rate:          | To be determined on the day of pricing.  |
| Interest Rate Modes:    | Fixed through final maturities for Series 2016A Bonds, and a Floating Rate plus a credit spread for Series 2016B Bonds.  |
| Underlying Ratings:     | The Borrower has applied for a rating from Standard & Poor's ("S&P") for the 2016 Floating Rate Notes and to Fitch Ratings for ratings on both Series. Ratings are expected to be awarded at the time of printing the Preliminary Official Statement. The Bonds will carry an investment grade rating. |
| Maturity:               | No later than 2040   |
| Estimated Closing Date: | Second calendar quarter of 2016. (Note: There is no assurance that any or all of the Prior Bonds will be refunded, or if they are refunded, when such refunding will occur.)   |

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### PROJECT SUMMARY

The proceeds will be used by Presbyterian Homes Obligated Group, together with over available funds to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.

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### BUSINESS SUMMARY

**Background:** On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the "Corporation") became the sole member directly or indirectly of six subsidiaries, two of which are the Borrowers (collectively with the Corporation, the "System"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area. Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day.

The Obligated Group locations are listed below.

#### Main Evanston Campus

- Westminster Place offers 254 units of independent living in large and small townhouses, cottages, or apartments featuring full kitchens and for some units, private patios. It also offers numerous amenities, including activities, parking spaces and garages, private buses to local shopping, walking paths throughout the grounds, flexible meal plans as a dining option, and on-site medical services.
- The Highlands at Westminster Place is an apartment facility designed for older independent adults who require limited daily living assistance. The facility is composed of 91 efficiencies and one- or two-bedroom apartments. The Highlands offers a combination of independent living and sheltered care units. Meals are served in central dining rooms and medical services are provided.
- McGaw Care Center and Foster Pavilion include a 100-bed skilled nursing care, Medicare-approved facility, and a 95-bed unit for older adults with Alzheimer's disease or other cognitive impairments. A number of beds are always kept open and available for the potential needs of the Westminster's own residents. Beds in excess of these requirements are made available to non-residents.
- Kimble Fitness and Therapeutic Center: This facility opened in 1995 and is available to all residents on the main campus in Evanston, as well as the residents at King Home and Ten Twenty Grove. Approximately 50 to 55 residents use this facility on an average day. The Center offers numerous amenities including a large pool

and small therapy pool, a Jacuzzi, an exercise room with fitness equipment, water therapy classes, and other activities. The building also has meeting and entertainment facilities.

### Lake Forest Place

Lake Forest Place is a CCRC located in Lake Forest, Illinois, approximately 30 miles north of Chicago on a 58-acre site immediately adjacent to Lake Forest Hospital. Lake Forest Place includes 268 independent living units (including both cottages and apartments), 31 assisted living units and 50 Medicare licensed skilled nursing beds and 20 licensed intermediate care beds for older adults with Alzheimer's disease or other cognitive impairments. Amenities include a town center, on-site medical care, a fitness center, security, walking trails and underground parking.

### King Home

The King Home is located in downtown Evanston. This six-story 53-unit apartment facility is designed for men and women 65 years and older. It consists of one-bedroom suites with a private bath and emergency alarm systems. The facility also contains activity and fitness areas. Meals are served in the central dining room. Complete medical care and 24-hour nursing services are provided.

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## ECONOMIC DISCLOSURE STATEMENT

Applicant: Westminster Place and Lake Forest Place, LLC  
Site Address: 3200 Grant Street, Evanston, IL 60201 (Westminster Place)  
1100 Pembridge Dr, Lake Forest, IL 60045 (Lake Forest Place)  
Contact: Todd Swortzel, President & CEO  
Website: www.presbyterianhomes.org  
Project name: Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois

### Ownership/2015 Board Members (501(c)(3)):

| <u>Name</u>                   | <u>Position</u> | <u>Year Joined</u> | <u>Profession</u>  |
|-------------------------------|-----------------|--------------------|--|
| Leland E. Hutchinson (Lee)    | Board Chair     | 1999               | Retired Attorney ; Partner, Winston & Strawn                         |
| J. Marshall Peck (Marshall)   | Board Treasurer | 2008               | Real Estate Development; CEO, Interpark                              |
| Neele E. Steams, Jr.          | Board Secretary | 2004               | Real Estate Finance; Partner, LaSalle Investment Management          |
| Rev. Sarah Sarchet Butter     | Member          | 2007               | Pastor; Head of Staff, Wilmette Presbyterian Church                  |
| Charles Denison (Charlie)     | Member          | 2014               | Managing Director for Investment Banking                             |
| George T. Drost               | Member          | 2011               | Attorney; Partner, Drost Kivlahan McMahon & O'Connor LLC             |
| Monica Heenan                 | Member          | 2015               | SVP & Chief Ambulatory Officer, Lurie Children's Hospital in Chicago |
| Gregory W. Hummel (Greg)      | Member          | 2008               | Attorney; Partner, Bryan Cave LLP                                    |
| Dennis R. Marx                | Member          | 2014               | Tax and Investment Strategist  |
| Dr. E. Dennis Murphy (Dennis) | Member          | 2010               | Retired Physician  |
| Elizabeth Nichols (Betsy)     | Member          | 2014               | Chief Data Scientist   |
| Paula Noble                   | Member          | 2015               | CFO and Treasurer, Lurie Children's Hospital of Chicago              |
| Harlan F. Stanley             | Member          | 2010               | Real Estate Finance; Partner, LaSalle Investment Management          |
| Mark F. Toledo                | Member          | 2009               | Investment Manager at Chicago Partners                               |
| Jane Western                  | Member          | 2014               | Risk Management  |

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**PROFESSIONAL & FINANCIAL**

|                        |                              |               |                 |
|------------------------|------------------------------|---------------|-----------------|
| Borrower's Counsel:    | Dentons US LLP               | Mary Wilson   | Chicago, IL     |
| Auditor:               | CliftonLarsonAllen LLP       | Jim Thomas    | Oak Brook, IL   |
| Underwriter:           | Ziegler                      | Steve Johnson | Chicago, IL     |
| Bond Counsel:          | Chapman and Cutler LLP       | John F. Bibby | Chicago, IL     |
| Underwriter's Counsel: | Gilmore & Bell, P.C.         | Rick Wright   | Kansas City, MO |
| Bond Trustee:          | TBD                          |               |                 |
| Issuer's Counsel:      | Burke Burns & Pinelli, Ltd.  | Steve Welcome | Chicago, IL     |
| Issuer's Advisor:      | Acacia Financial Group, Inc. | Phoebe Selden | Chicago, IL     |

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**LEGISLATIVE DISTRICTS**

|                |        |
|----------------|--------|
| Congressional: | 9, 10  |
| State Senate:  | 9, 29  |
| State House:   | 17, 58 |

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**SERVICE AREA**

Evanston, Illinois and Lake Forest, Illinois: