ILLINOIS FINANCE AUTHORITY

Tuesday, December 10, 2013

AGENDA

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

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

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

I. Call to Order & Roll Call
II. Chairman's Remarks
III. Adoption of the Minutes
IV. Acceptance of the Financial Statements
V. Approval of Project Reports and Resolutions
VI. Other Business
VII. Public Comment
VIII. Adjournment
<table>
<thead>
<tr>
<th>Tab</th>
<th>Project Name</th>
<th>Location</th>
<th>Amount</th>
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<td>A) Jacob D. Grapperhaus</td>
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<td>B) Daniel Paul &amp; Bobbi Jean Ochs</td>
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<td>Elmhurst Memorial Healthcare</td>
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# PROJECT REPORTS AND RESOLUTIONS

## RESOLUTIONS

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<thead>
<tr>
<th>Tab</th>
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<tr>
<td>Resolutions</td>
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<td>5</td>
<td>Resolution Providing for the Issuance of Not-To-Exceed $5,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (New Hope Center, Inc. Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and Related Documents; and Approving Related Matters</td>
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<td>6</td>
<td>Resolution Approving Release of Approximately 2.25 Acres of Farmland in Connection with Existing Beginning Farmer Bond Loan #2008-09-0003</td>
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<td>Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed $370,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto</td>
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<td>Resolution Authorizing the Adoption of the Tax-Exempt Bond Compliance Policy of the Illinois Finance Authority</td>
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<td>9</td>
<td>Resolution Approving the Terms of Various Contracts</td>
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<td>10</td>
<td>Resolution Appointing the Executive Director of the Illinois Finance Authority for One-Year Term of Office</td>
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<td>11</td>
<td>Resolution of Recognition and Appreciation to Board Member Dr. William Barclay</td>
<td>CM</td>
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December 10, 2013

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

RE: Message from the Executive Director

Dear Members of the Authority:

**Governor Quinn’s Clean Water Initiative**

On December 5, 2013, the Illinois Finance Authority (“Authority”) and the Illinois Environmental Protection Agency (“IEPA”), working in close partnership, closed the financing of $141.7 million State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013 (“Clean Water Initiative Bonds”). This represents an important step towards realizing Governor Quinn’s $1 billion goal for the Illinois Clean Water Initiative that he announced on October 18, 2012, the 40th anniversary of the federal Clean Water Act, with former United States Environmental Protection Agency Administrator Lisa Jackson at Chicago’s Shedd Aquarium. The Authority and IEPA anticipate that this will be the first of many future bond issuances under the Clean Water Initiative.

The Clean Water Initiative Bonds are rated “AAA” by Fitch and S&P. The total interest cost, including transactional costs, was 1.87%. The bonds were oversubscribed by almost three times. The Clean Water Initiative Bonds will roughly double IEPA’s program capacity from $400 million to just under $800 million by freeing reserve funds through refinancing of 2002 and 2004 bonds and accessing federal grants through bond proceeds rather than scarce State appropriations. To quote Paul Merrion of Crain’s Chicago Business on this transaction, “there is still a small corner of Illinois government where the sun is shining, birds are chirping and the bonds are rated AAA.”  *Illinois Taps Squeaky Clean Water Bonds*, November 18, 2013.

Governor Quinn’s Clean Water Initiative dramatically expands the capacity of IEPA’s low interest (1.995%) loan program to Illinois communities for water infrastructure projects. Importantly, the Clean Water Initiative will accomplish three goals:

- Put thousands of women and men of the unionized buildings and trades to work;
- Save local taxpayers money; and
Executive Director Message  
December 10, 2013

- Help preserve our State’s finite fresh water resources – an important competitive advantage for Illinois in the global economy.

The Clean Water Initiative Bonds would not have been successful without the diligence and commitment of the staffs of both the IEPA and the Authority as well as a collegial team of financial professionals. Thanks to all of the team members that put this transaction together as well as to each of you, the Members of the Authority, for your support of the Governor’s Clean Water Initiative.

**Dr. Barclay – thank you for your public service**

Dr. Bill Barclay joined the Authority Board in June of 2007. He has served continuously as the Chair of the Authority’s Healthcare Committee, an extremely critical position for us. Dr. Barclay’s service with the Authority has been marked by wisdom and by a passionate commitment to fairness and equity as well as his recognition of our obligation as a public agency to reflect the diversity of Illinois. We thank you for your service to the Authority and wish you an enjoyable and well-earned retirement.

I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our great state.

Respectfully,

Christopher B. Meister  
Executive Director
I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the “Committee” or “COW”), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Thursday of November in the year 2013, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 8 Present.

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

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

November 14, 2013

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<td>Gold</td>
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<td>Mr. Chairman</td>
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E – Denotes Excused Absence
II. Chairman’s Remarks

Chairman Brandt welcomed Members of the Committee, Authority staff and all guests present.

Chairman Brandt acknowledged the following guests via audio conference representing the City of East St. Louis: Mr. Michael Wagner, Corporation Counsel, Deletra Hudson, City Manager and Egzabia Bennett, Budget Director. Chairman Brandt further acknowledged the following guest via audio conference representing the East St. Louis Financial Advisory Authority: Ms. Jennifer Wilson, Operations Director of the East St. Louis Financial Advisory Authority.

Chairman Brandt likewise acknowledged that Mr. Chuck Jarik of Chapman & Cutler, LLP, who has served as bond counsel on the Authority’s bond issues on behalf of East St. Louis, was also present, as were guests representing the media and the Governor’s Office of Management and Budget, among others.

III. Message from the Executive Director

Executive Director Meister discussed that for the first time in nearly a decade, the Illinois Finance Authority (“Authority”) will access the tax-exempt capital markets for the State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds when retail orders are taken and institution pricing occurs in the coming days. Recently, Fitch Ratings announced that the Clean Water Initiative Revolving Fund Revenue Bonds earned the ‘AAA’ rating – the highest possible ranking. This news follows Standard & Poor’s Ratings Service assignment of its ‘AAA’ rating to the Bonds last week.

Executive Director Meister recommended that Item 6 of Project Reports and Resolutions be discussed by the Committee before moving forward with the remaining agenda.

VII. Project Reports and Resolutions

Mr. Frampton presented the following resolution:

Resolutions

Item 6: Item 6 is a Resolution Approving the Defeasance of Financially Distressed City Debt Restructuring Revenue Refunding Bonds, Series 2010 (City of East St. Louis Project); and Related Matters.

Mr. Frampton explained that the City of East St. Louis is seeking approval for the Authority to provide Irrevocable Direction to The Bank of New York Mellon Trust Company, N.A. to utilize funds the Trustee has on deposit for the full repayment of principal and interest on outstanding Authority Revenue Refunding Bonds, Series 2010 (City of East S. Louis Project). As of November 15, 2013, the Series 2010 Bonds will be the only outstanding bonds of the Authority on behalf of the City because the Series 2003 Bonds and the Series 2005 Bonds mature as of November 15, 2013. Therefore, this Irrevocable Direction will enable the defeasance of the Indenture and end the City’s reporting obligation to provide balanced budgets and audits to the East St. Louis Financial Advisory Authority and to the Illinois Finance Authority as required under the Illinois Financially Distressed City Law.

Mr. Frampton provided background information and likewise chronicled the history between the City of East St. Louis and the Illinois Development Finance Authority (and thereafter the Illinois Finance Authority).
Chairman Brandt inquired as to the maturity date of the Series 2010 Bonds which are being potentially defeased.

Mr. Jarik confirmed for the Committee that the Series 2010 Bonds mature as of November 15, 2014. Mr. Jarik explained that funds currently held under the Series 2010 Bonds Indenture are sufficient to provide for the remaining payments of remaining principal and interest, plus costs of a defeasance. Therefore, it has been requested that the Authority provide Irrevocable Direction to the Trustee to use these aforementioned funds to defease the Series 2010 Bonds, and thus, discharge the respective Indenture.

Mr. Wagner informed the Members of the Committee that the City of East St. Louis supports the resolution and is thankful for the Authority’s partnership.

Ms. Wilson questioned if the Members of the Committee would postpone action on the resolution given pending budgetary constraints still facing the City of East St. Louis.

Chairman Brandt stated that he understands the concerns of the East St. Louis Financial Advisory Authority as to whether the City of East St. Louis can function without the oversight that has been customary in recent past pursuant to the Illinois Financially Distressed City Law. However, Chairman Brandt explained that the Authority’s role is fairly passive and statutorily prescribed; that is, the Authority will provide the requested Irrevocable Direction to the Trustee while remaining available to provide further assistance in the future, should it be needed.

Member Poole explained that he was proud to see the City of East City Louis exit its obligations under the Illinois Financially Distressed City Law and commented on pending labor negotiations taking place for the City of East St. Louis.

Member Leonard, Chairman Brandt and Vice Chairman Goetz discussed the additional revenues that will be available to the City of East St. Louis as they will no longer be subject to a state-intercept to pay debt service on the Series 2010 Bonds. Mr. Wagner confirmed for Members of the Committee that the City expects to recognize revenues of approximately $200,000 per month additionally.

IV. Consideration of the Minutes

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on October 8, 2013 or any errors in the Minutes of the regular meeting of the Board held on October 8, 2013.

Member Bronner moved for the adoption of the Minutes of the regular meeting of the Committee held on October 8, 2013.

Member Poole seconded the motion.

The motion prevailed and the Minutes were adopted.
V. Presentation and Consideration of the Financial Statements

Revenue

Mr. Anosike explained that Total Revenue for October 2013 was $332,150, which was negative to budget by $5,977 or 1.8%. Major revenue drivers for October included Interest on Loans, Investment Interest and Administration & Application Fees, all of which were below budget due to lower transaction volume and the low interest rate environment. The Authority closed seven (7) transactions in October which generated Administration and Closing Fees of $273,080.

For the year, Total Revenue is $1,403,384. This amount is $17,233 or 1.2% unfavorable to budget due to lower interest on Loans, Investment Interest and Administration & Application Fees.

Expenses

Total Expense for October 2013 was $332,084, which was 1.9% or $6,359 under budget. For the month, Employee-related expenses and Occupancy cost were lower than budget while Professional Services and General Administration were higher than budget caused in part by higher legal expenses.

For the year, Total Expense is $1,156,672. This amount is $197,100 favorable to budget, reflecting lower than budgeted expenses across all expense categories.

Net Income

As a result, the Authority ended the month of October 2013 at breakeven. For the year, Net Income is $246,712 or $179,867 better than budget.

Note:

The Financial Statement presentation has changed. Going forward, the monthly Financial Statement presentation will focus on the General Fund. The Consolidated Financial Statement will be provided on a quarterly basis or in the occurrence of significant events. The purpose of this modification is to enhance clarity and focus on key information for the Authority and its constituents.

Chairman Brandt expressed his concern in connection with Total Revenue for the first half of Fiscal Year 2014 in comparison to previous fiscal years.

Finally, Mr. Anosike provided an update for the Loan Watchlist and informed the Committee of a participation loan was paid in full after it had been written-off on the Authority’s books and records.

VI. Committee Reports

Agriculture Committee

Member Zeller reported that the Agriculture Committee reviewed and recommended approval of Items 1(A), 1(B), 1(C), 1(D), 1(E), 1(F) and 2.
Healthcare Committee

Ms. Lenane reported that the Healthcare Committee reviewed and recommended approval of Item 5 on today’s agenda.

VII. Project Reports and Resolutions

Mr. Frampton presented the following projects:

Agriculture Projects

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

Austin D. & Kim A. Ferguson are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Fifty-Three Thousand Dollars ($153,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 51 acres of farmland located in Crooked Creek Township in Jasper County.

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

Tyler Ethan Ory Vaughn is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Sixty Thousand Dollars ($160,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 80 acres of farmland located in Big Mound Township in Wayne County.

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

Curt W. & Stacey R. Robbins are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Fifty Thousand Dollars ($250,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 400 acres of farmland located in Jasper Township in Wayne County.

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

Gregory S. & Shyannon R. McFarland are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Fifteen Thousand Dollars ($215,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 98 acres of farmland located in Flannigan Township in Hamilton County.

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

Mason T. Muchow is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty-Six Thousand Seven Hundred and Eighty-Three Dollars ($246,783). This financing is being presented for one-time consideration.
Bond proceeds will be used to finance the acquisition of approximately 41.15 acres of farmland located in West Township in Effingham County.

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

Cody Heiden is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Eighty-Five Thousand Dollars ($285,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in Wheatland Township in Fayette County.

Item 2:  Item 2 is a Young Farmer Loan Guarantee Project. The Applicant and Bank are requesting approval of a Young Farmer Loan Guarantee. This financing is being presented for one-time consideration.

Tyler & Candace J. Overton (hereinafter, the “Borrower”) is requesting approval of a State Young Farmer (Farm Purchase) Loan Guarantee in an amount not-to-exceed 85% of a proposed loan of One Hundred Ninety-Three Thousand Dollars ($193,000). Loan proceeds will provide permanent financing for the purchase of 34 acres of farm land. The State of Illinois will guarantee up to One Hundred Sixty-Four Thousand and Fifty Dollars ($164,050) or up to 85% of the face loan amount. This State Young Farmer (Farm Purchase) Loan Guarantee represents Illinois Agricultural Loan Guarantee Funds held in the State Treasury at risk.

Local Government Projects

Item 3:  Item 3 is a request for Local Government Revenue Bond financing.

Flora Community Unit School District Number 35 is requesting approval of a Final Bond Resolution authorizing the issuance of Illinois Finance Authority Local Government Program Revenue Bonds in an amount not-to-exceed Nine Million Dollars ($9,000,000). This project is being presented for one-time consideration.

Proceeds of the Illinois Finance Authority Local Government Program Revenue Bonds, Series 2013 (Flora Community Unit School District Number 35 Project), will be used for the purpose of purchasing certain general obligation alternate bonds (the “Local Government Securities”) from Community Unit School District Number 35, Clay, Wayne and Marion Counties, Illinois (hereinafter, the “District”). The District will use the proceeds of the Local Government Securities to (i) build and equip an elementary school building and acquire and improve the site therefor (the “Project”) and (ii) pay for certain costs associated with the issuance of the Bonds and the Local Government Securities (and together with the Project, the “Financing Purposes”).

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

Item 4:  Item 4 is a request for Commercial Paper Revenue Note financing.

The Lincoln Park Zoological Society is requesting approval of a Final Commercial Paper Revenue Note Resolution in an amount not-to-exceed Thirty Million Dollars ($30,000,000) and authorizing an amendment to the Program Resolution to increase the
aggregate issuance authorization under the Commercial Paper Revenue Notes Program by $30,000,000 for this pooled, multi-borrower financing program.

The Lincoln Park Zoological Society (the “Borrower”) desires to borrow an additional amount of up to $30,000,000 of Note proceeds pursuant to a pooled tax-exempt commercial paper program for the purpose of (i) financing, refinancing or reimbursing itself for all or a portion of the costs of the acquisition, design, development, construction, renovation, remodeling and equipping of certain “cultural facilities,” as defined in the Illinois Finance Authority Act (hereinafter, the “Act”), to finance the “New Zoo Projects”), including capitalized interest, if any, and working capital related thereto, if any, and (ii) pay certain costs incurred in connection with the issuance of the Notes and the credit enhancement thereof, if any, all as permitted under the Act (collectively, the “Financing Purposes”).

Ms. O’Brien presented the following project:

**Healthcare Projects**

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

The Lodge of Northbrook, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed Fifteen Million Five Hundred Thousand Dollars ($15,500,000).

Bond proceeds will be used by The Lodge of Northbrook, Inc. (the “Corporation” or the “Borrower”) to (i) repay the Borrower’s construction loan, the proceeds of which were used to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act)(the “Act”) for the Borrower’s housing complex for the elderly located in Northbrook, Illinois; (ii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refinancing of the construction loan, all as permitted by the Act (collectively, the “Financing Purposes”).

Ms. Lenane presented the following resolutions:

**Resolutions**

**Item 7:** Item 7 is a Resolution Authorizing the Authority to Enter into an Intergovernmental Agreement with the Suburban Bus Division of the Regional Transportation Authority under which the Authority will provide Assistance to the Suburban Bus Division with the Approval of the Regional Transportation Authority.

Executive Director Meister and Ms. Lenane explained that the Suburban Bus Division of the Regional Transportation Authority (“PACE”) is likely interested in potential bondholders earning interest that is exempt from both Federal and State income taxes.

**Item 8:** Item 8 is a Resolution Adopting the Amended and Restated Plan Document of the Illinois Finance Authority 401(a) Contribution Plan.
VIII. Other Business

Executive Director Meister informed the Committee that the Authority intends to issue a new Request for Proposals for external legal counsel.

IX. Public Comment

None.

X. Adjournment

At the time of 10:26 a.m., Member Zeller moved that the Committee do now adjourn until December 10, 2013, at 9:30 a.m.

Member Knox seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board
I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Thursday of November in the year 2013, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 9 Present.

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

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

November 14, 2013

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<td>P Mr. Chairman</td>
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E – Denotes Excused Absence
II. Chairman’s Remarks

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting’s agenda were referred, action taken earlier on November 14, 2013, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on October 8, 2013 were taken up for consideration.

Vice Chairman Goetz moved for the adoption of the Minutes.

Member Knox seconded the motion.

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

The motion prevailed and the Minutes were adopted.

IV. Acceptance of the Financial Statements

Financial Statements for the Month Ended October 31, 2013 were taken up for consideration.

Member Bronner moved for the adoption of the Financial Statements.

Vice Chairman Goetz seconded the motion.

On a voice vote, the motion prevailed and the Financial Statements were adopted.

V. Approval of Project Reports and Resolutions

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

Mr. Frampton presented the following projects and resolutions:

Agriculture Projects

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

Austin D. & Kim A. Ferguson are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Fifty-Three Thousand Dollars ($153,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 51 acres of farmland located in Crooked Creek Township in Jasper County.

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

Member Fuentes seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.
This project, having received the votes of a quorum of the Members of the Board, was declared passed.

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

Tyler Ethan Ory Vaughn is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Sixty Thousand Dollars ($160,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 80 acres of farmland located in Big Mound Township in Wayne County.

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

Curt W. & Stacey R. Robbins are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Fifty Thousand Dollars ($250,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 400 acres of farmland located in Jasper Township in Wayne County.

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

Gregory S. & Shyannon R. McFarland are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Fifteen Thousand Dollars ($215,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 98 acres of farmland located in Flannigan Township in Hamilton County.

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

Mason T. Muchow is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty-Six Thousand Seven Hundred and Eighty-Three Dollars ($246,783). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 41.15 acres of farmland located in West Township in Effingham County.

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

Cody Heiden is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Eighty-Five Thousand Dollars ($285,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in Wheatland Township in Fayette County.

Item 2: Item 2 is a Young Farmer Loan Guarantee Project. The Applicant and Bank are requesting approval of a Young Farmer Loan Guarantee. This financing is being presented for one-time consideration.

Tyler & Candace J. Overton (hereinafter, the “Borrower”) is requesting approval of a State Young Farmer (Farm Purchase) Loan Guarantee in an amount not-to-exceed 85%
of a proposed loan of One Hundred Ninety-Three Thousand Dollars ($193,000). Loan proceeds will provide permanent financing for the purchase of 34 acres of farm land. The State of Illinois will guarantee up to One Hundred Sixty-Four Thousand and Fifty Dollars ($164,050) or up to 85% of the face loan amount. This State Young Farmer (Farm Purchase) Loan Guarantee represents Illinois Agricultural Loan Guarantee Funds held in the State Treasury at risk.

**Local Government Projects**

**Item 3:** Item 3 is a request for Local Government Revenue Bond financing.

Flora Community Unit School District Number 35 is requesting approval of a Final Bond Resolution authorizing the issuance of Illinois Finance Authority Local Government Program Revenue Bonds in an amount not-to-exceed Nine Million Dollars ($9,000,000). This project is being presented for one-time consideration.

Proceeds of the Illinois Finance Authority Local Government Program Revenue Bonds, Series 2013 (Flora Community Unit School District Number 35 Project), will be used for the purpose of purchasing certain general obligation alternate bonds (the “Local Government Securities”) from Community Unit School District Number 35, Clay, Wayne and Marion Counties, Illinois (hereinafter, the “District”). The District will use the proceeds of the Local Government Securities to (i) build and equip an elementary school building and acquire and improve the site therefor (the “Project”) and (ii) pay for certain costs associated with the issuance of the Bonds and the Local Government Securities (and together with the Project, the “Financing Purposes”).

**Resolutions**

**Item 8:** Item 8 is a Resolution Adopting the Amended and Restated Plan Document of the Illinois Finance Authority 401(a) Contribution Plan.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects and resolutions: Items 1(B), 1(C), 1(D), 1(E), 1(F), 2, 3 and 8.

Leave was granted.

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

Chairman Brandt directed Mr. Frampton to present the projects and resolutions with expected guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

**Resolutions**

**Item 6:** Item 6 is a Resolution Approving the Defeasance of Financially Distressed City Debt Restructuring Revenue Refunding Bonds, Series 2010 (City of East St. Louis Project); and Related Matters.

Chairman Brandt announced that Mr. Michael Wagner, Corporation Counsel of the City of East St. Louis, Deletra Hudson, City Manager of the City of East St. Louis and Egzabia Bennett, Budget Director of the City of East St. Louis were present via audio conference and ready to speak on behalf of the resolution.
Mr. Wagner informed the Members of the Board that the City of East St. Louis supports the resolution.

Chairman Brandt recognized and thanked Mr. Wagner.

Chairman Brandt also announced that Ms. Jennifer Wilson, Operations Director of the East St. Louis Financial Advisory Authority was present via audio conference and ready to speak on behalf of the resolution.

Ms. Wilson informed the Members of the Board that the East St. Louis Financial Advisory Authority ("FAA") also supports the resolution. However, Ms. Wilson expressed the FAA’s ongoing concerns concerning the budgetary situation facing the City of East St. Louis now that the City's reporting obligation to provide balanced budgets and audits ceases.

Chairman Brandt recognized and thanked Ms. Wilson.

Member Poole moved for the adoption of the following resolution: Item 6.

Vice Chairman Goetz seconded the motion.

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

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

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

**Item 4:** Item 4 is a request for Commercial Paper Revenue Note financing.

The Lincoln Park Zoological Society is requesting approval of a Final Commercial Paper Revenue Note Resolution in an amount not-to-exceed Thirty Million Dollars ($30,000,000) and authorizing an amendment to the Program Resolution to increase the aggregate issuance authorization under the Commercial Paper Revenue Notes Program by $30,000,000 for this pooled, multi-borrower financing program.

The Lincoln Park Zoological Society (the “Borrower”) desires to borrow an additional amount of up to $30,000,000 of Note proceeds pursuant to a pooled tax-exempt commercial paper program for the purpose of (i) financing, refinancing or reimbursing itself for all or a portion of the costs of the acquisition, design, development, construction, renovation, remodeling and equipping of certain “cultural facilities,” as defined in the Illinois Finance Authority Act (hereinafter, the “Act”), to finance the “New Zoo Projects”), including capitalized interest, if any, and working capital related thereto, if any, and (ii) pay certain costs incurred in connection with the issuance of the Notes and the credit enhancement thereof, if any, all as permitted under the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Mr. Troy Baresel, Senior Vice President of Operations/CFO of The Lincoln Park Zoological Society was present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Baresel.
Healthcare Projects

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

The Lodge of Northbrook, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed Fifteen Million Five Hundred Thousand Dollars ($15,500,000).

Bond proceeds will be used by The Lodge of Northbrook, Inc. (the “Corporation” or the “Borrower”) to (i) repay the Borrower’s construction loan, the proceeds of which were used to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act)(the “Act”) for the Borrower’s housing complex for the elderly located in Northbrook, Illinois; (ii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refinancing of the construction loan, all as permitted by the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Mr. Kent Braasch, President of Essex Communities, was present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Braasch.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects: Items 4 and 5.

Leave was granted.

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

**Resolutions**

**Item 7:** Item 7 is a Resolution Authorizing the Authority to Enter into an Intergovernmental Agreement with the Suburban Bus Division of the Regional Transportation Authority under which the Authority will provide Assistance to the Suburban Bus Division with the Approval of the Regional Transportation Authority.

Vice Chairman Goetz moved for the adoption of the following resolution: Item 7.

Member Leonard seconded the motion.

And on that motion, a vote was taken resulting as follows: 9 Yeas; 0 Nays; 1 Abstain (Fuentes); 0 Answering Present.

Member Fuentes desired to be recorded as abstaining from the vote because a relative serves on the Board of Directors of the Regional Transportation Authority.
VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the regular meeting of the Board in December will be held on December 10, 2013.

At the time of 10:57 a.m., Vice Chairman Goetz moved that the Board do now adjourn until December 10, 2013, at 10:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

Total Revenue for November 2013 was $382,713, which was positive to budget by $44,586 or 13.2%. The primary driver for revenue in November was Administration and Application Fees, which was $50,625 higher than budget. The Authority closed four (4) transactions in November which generated Application and Closing Fees of $181,976 for the month.

For the Fiscal Year, Total Revenue is $1,786,096. This amount is $27,352 or 1.6% favorable to budget. For the year, all revenue categories are under budget except Annual Issuance/Loans and Other Revenue.

Expenses

Total Expenses for November 2013 was $329,857, which was $8,586 or 2.5% under budget. For the month, Employee-related expenses, Occupancy and General Administration costs were lower than budget while Professional Services expenses were higher than budget due to New Market Tax Credit related expenses.

For the Fiscal Year, Total Expenses are $1,486,677. This amount is 12.2% or $205,538 favorable to budget. For the year, all expense categories are below budget due to deferred cost and lower than budgeted expenses.

Net Income

Net Income for the month of November 2013 was $52,856, which is $53,172 better than budget. For the Fiscal Year, the Authority’s Net Income is $299,419 or $232,890 better than budget.
<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Actual</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>%</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>9,746</td>
<td>(3,682)</td>
<td>-27.43%</td>
<td>57,601</td>
<td>(9,544)</td>
<td>-14.21%</td>
</tr>
<tr>
<td>Investment Interest &amp; Administration Application</td>
<td>1,181</td>
<td>(15,486)</td>
<td>-92.91%</td>
<td>7,322</td>
<td>(76,013)</td>
<td>-91.21%</td>
</tr>
<tr>
<td>Annual Issuance &amp; Loan Fees</td>
<td>347,227</td>
<td>50,625</td>
<td>17.07%</td>
<td>1,515,351</td>
<td>(35,768)</td>
<td>-2.31%</td>
</tr>
<tr>
<td>Other Income</td>
<td>19,741</td>
<td>13,612</td>
<td>222.09%</td>
<td>157,656</td>
<td>127,011</td>
<td>414.46%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>382,713</td>
<td>44,586</td>
<td>13.19%</td>
<td>1,786,096</td>
<td>27,352</td>
<td>1.56%</td>
</tr>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Related Expenses</td>
<td>122,329</td>
<td>(20,252)</td>
<td>-14.20%</td>
<td>639,680</td>
<td>(73,225)</td>
<td>-10.27%</td>
</tr>
<tr>
<td>Compensation &amp; Taxes</td>
<td>14,053</td>
<td>(8,658)</td>
<td>-53.12%</td>
<td>78,154</td>
<td>(35,401)</td>
<td>-31.18%</td>
</tr>
<tr>
<td>Benefits</td>
<td>-</td>
<td>(500)</td>
<td>-100.00%</td>
<td>4,002</td>
<td>1,502</td>
<td>60.08%</td>
</tr>
<tr>
<td>Travel &amp; Auto</td>
<td>5,249</td>
<td>900</td>
<td>14.41%</td>
<td>17,488</td>
<td>(4,133)</td>
<td>-25.06%</td>
</tr>
<tr>
<td>Total Employee Related</td>
<td>141,625</td>
<td>(28,750)</td>
<td>-16.87%</td>
<td>739,324</td>
<td>(112,551)</td>
<td>-13.21%</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>41,334</td>
<td>(333)</td>
<td>-0.80%</td>
<td>178,782</td>
<td>(29,553)</td>
<td>-14.19%</td>
</tr>
<tr>
<td>Consulting, Legal &amp; Admin</td>
<td>4,186</td>
<td>(1,418)</td>
<td>-49.77%</td>
<td>34,453</td>
<td>(7,217)</td>
<td>-21.73%</td>
</tr>
<tr>
<td>Loan Expense &amp; Bank Fee</td>
<td>21,689</td>
<td>(4,145)</td>
<td>-18.04%</td>
<td>103,297</td>
<td>(25,873)</td>
<td>-26.03%</td>
</tr>
<tr>
<td>Accounting &amp; Auditing</td>
<td>480</td>
<td>(355)</td>
<td>-42.38%</td>
<td>2,022</td>
<td>(2,143)</td>
<td>-51.45%</td>
</tr>
<tr>
<td>Marketing General</td>
<td>11,550</td>
<td>3,217</td>
<td>31.61%</td>
<td>10,051</td>
<td>7,025</td>
<td>36.24%</td>
</tr>
<tr>
<td>Financial Advisory</td>
<td>2,565</td>
<td>482</td>
<td>19.24%</td>
<td>57,722</td>
<td>24,387</td>
<td>73.16%</td>
</tr>
<tr>
<td>Miscellaneous Services</td>
<td>4,928</td>
<td>42,861</td>
<td>842.88%</td>
<td>29,818</td>
<td>(49,013)</td>
<td>-63.50%</td>
</tr>
<tr>
<td>Total Professional Services</td>
<td>135,515</td>
<td>27,597</td>
<td>21.55%</td>
<td>465,809</td>
<td>(73,781)</td>
<td>-13.67%</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy Costs</td>
<td>13,587</td>
<td>(8,080)</td>
<td>-37.29%</td>
<td>98,695</td>
<td>(9,640)</td>
<td>-9.09%</td>
</tr>
<tr>
<td>Office Rent</td>
<td>4,671</td>
<td>3,421</td>
<td>232.68%</td>
<td>8,927</td>
<td>2,677</td>
<td>42.33%</td>
</tr>
<tr>
<td>Equipment Rental &amp; Purchase</td>
<td>2,718</td>
<td>(199)</td>
<td>-6.28%</td>
<td>13,637</td>
<td>(948)</td>
<td>-6.50%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>454</td>
<td>(546)</td>
<td>-54.60%</td>
<td>3,813</td>
<td>(1,187)</td>
<td>-23.74%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,845</td>
<td>53</td>
<td>1.40%</td>
<td>18,794</td>
<td>(166)</td>
<td>-0.88%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>555</td>
<td>(1,928)</td>
<td>-79.67%</td>
<td>2,524</td>
<td>(1,891)</td>
<td>-75.77%</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Occupancy Costs</td>
<td>25,780</td>
<td>(6,929)</td>
<td>-21.18%</td>
<td>146,390</td>
<td>(17,155)</td>
<td>-10.49%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; Administration</td>
<td>1,978</td>
<td>(1,005)</td>
<td>-33.69%</td>
<td>12,851</td>
<td>(2,064)</td>
<td>-16.04%</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,352</td>
<td>(148)</td>
<td>-5.92%</td>
<td>10,735</td>
<td>(1,765)</td>
<td>-14.12%</td>
</tr>
<tr>
<td>Printing</td>
<td>483</td>
<td>(184)</td>
<td>-27.59%</td>
<td>2,383</td>
<td>(952)</td>
<td>-28.55%</td>
</tr>
<tr>
<td>Postage &amp; Freight</td>
<td>785</td>
<td>(465)</td>
<td>-37.20%</td>
<td>4,376</td>
<td>(1,874)</td>
<td>-29.98%</td>
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<tr>
<td>Membership Dues &amp; Publications</td>
<td>1,682</td>
<td>(618)</td>
<td>-32.72%</td>
<td>7,804</td>
<td>(4,696)</td>
<td>-37.57%</td>
</tr>
<tr>
<td>Officers &amp; Directors</td>
<td>19,612</td>
<td>2,279</td>
<td>13.15%</td>
<td>96,716</td>
<td>10,051</td>
<td>11.60%</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total General &amp; Administration Expenses</td>
<td>26,938</td>
<td>(503)</td>
<td>-1.83%</td>
<td>135,154</td>
<td>(2,051)</td>
<td>-1.49%</td>
</tr>
<tr>
<td>Loan Loss Provision/Bad Debt</td>
<td>-</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>329,857</td>
<td>(8,586)</td>
<td>-2.54%</td>
<td>1,486,677</td>
<td>(205,538)</td>
<td>-12.15%</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss) Before Unrealized Gain (Loss)</td>
<td>52,856</td>
<td>53,172</td>
<td>-16826.51%</td>
<td>299,419</td>
<td>232,890</td>
<td>350.06%</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>52,856</td>
<td>53,172</td>
<td>-16826.51%</td>
<td>299,419</td>
<td>232,890</td>
<td>350.06%</td>
</tr>
</tbody>
</table>

**Variance to Prior Year**: The amount by which the current year differs from the prior year.

**Variance to Budget**: The amount by which the current year differs from the budgeted amount.

**Net Income (Loss) Before Unrealized Gain (Loss)**: The total income or loss from operating activities before considering any unrealized gains or losses.

**Transfers**: The amount transferred from one part of the organization to another.

**Net Income (Loss)**: The total income or loss from all sources, including unrealized gains or losses.
### Illinois Finance Authority
#### General Fund
#### Balance Sheet [unaudited]
#### For the Month Ended November 30, 2013

<table>
<thead>
<tr>
<th></th>
<th>November 2013</th>
<th>November 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH &amp; INVESTMENTS, UNRESTRICTED</td>
<td>$47,377,294</td>
<td>$42,782,055</td>
</tr>
<tr>
<td>RECEIVABLES, NET</td>
<td>282,583</td>
<td>161,309</td>
</tr>
<tr>
<td>LOAN RECEIVABLE, NET</td>
<td>3,312,858</td>
<td>5,890,631</td>
</tr>
<tr>
<td>OTHER RECEIVABLES</td>
<td>24,942</td>
<td>67,320</td>
</tr>
<tr>
<td>PREPAID EXPENSES</td>
<td>182,329</td>
<td>173,457</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>51,180,006</td>
<td>49,074,772</td>
</tr>
<tr>
<td>FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION</td>
<td>97,828</td>
<td>91,102</td>
</tr>
<tr>
<td>DEFERRED ISSUANCE COSTS</td>
<td>194,269</td>
<td>228,664</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH RESTRICTED, INVESTMENTS &amp; RESERVES</td>
<td>875,660</td>
<td>875,333</td>
</tr>
<tr>
<td>OTHER</td>
<td>-</td>
<td>(13,134)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER ASSETS</strong></td>
<td>875,660</td>
<td>862,199</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$52,347,763</td>
<td>$50,256,737</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>November 2013</th>
<th>November 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td>$2,452,345</td>
<td>$775,567</td>
</tr>
<tr>
<td>LONG-TERM LIABILITIES</td>
<td>284,329</td>
<td>338,063</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>2,736,674</td>
<td>1,113,631</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>November 2013</th>
<th>November 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONTRIBUTED CAPITAL</td>
<td>4,111,479</td>
<td>4,111,479</td>
</tr>
<tr>
<td>RETAINED EARNINGS</td>
<td>33,228,893</td>
<td>31,640,819</td>
</tr>
<tr>
<td>NET INCOME / (LOSS)</td>
<td>299,419</td>
<td>1,419,511</td>
</tr>
<tr>
<td>RESERVED/RESTRICTED FUND BALANCE</td>
<td>1,732,164</td>
<td>1,732,164</td>
</tr>
<tr>
<td>UNRESERVED FUND BALANCE</td>
<td>10,239,134</td>
<td>10,239,134</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>49,611,088</td>
<td>49,143,107</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>November 2013</th>
<th>November 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td>$52,347,763</td>
<td>$50,256,737</td>
</tr>
</tbody>
</table>
To: IFA Board of Directors  
From: Lorrie Karcher  
Date: December 10, 2013  
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds  
- **Locations:** Throughout Illinois  
- **Board Action Requested:** Final Bond Resolution for the attached projects  
- **Amount:** Up to $501,100 maximum of new money for each project  
- **Project Type:** Beginning Farmer Revenue Bonds  
- **Total Requested:** $278,245  

**Calendar Year Summary:** (as of December 10, 2013)  
- Volume Cap: $12,000,000  
- Volume Cap Committed: $4,377,378  
- Volume Cap Remaining: $7,622,622  
- Average Farm Acreage: 51  
- Number of Farms Financed: 18

- **IFA Benefits:**  
  - Conduit Tax-Exempt Bonds – no direct IFA or State funds at risk  
  - New Money Bonds:  
    - Convey tax-exempt status  
    - Will use dedicated 2013 IFA Volume Cap set-aside for Beginning Farmer Bond transactions

- **IFA Fees:**  
  - One-time closing fee will total 1.50% of the bond amount for each project

- **Structure/Ratings:**  
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower’s bank (the “Bank”)  
  - The Bank will be secured by the Borrower’s assets, as on a commercial loan  
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan  
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan

- **Bond Counsel:** Burke, Burns & Pinelli, Ltd.  
  Stephen F. Welcome, Esq.  
  Three First National Plaza, Suite 4300  
  Chicago, IL 60602
A. Project Number: A-FB-TE-CD-8660  
Borrower(s): Grapperhaus, Jacob D.  
Borrower Benefit: First Time Land Buyer  
Town: Collinsville, IL  
IFA Bond Amount: $140,000  
Use of Funds: Farmland – 39.3 acres of farmland  
Purchase Price: $280,000 / ($5,641 per ac)  
%Borrower Equity: 5%  
% USDA Farm Service Agency: 45% (Subordinate Financing)  
%IFA: 50%  
Township: Jarvis  
Counties/Regions: Madison / Southwestern  
Lender/Bond Purchaser: First Mid-Illinois Bank & Trust / Bill Wagner  
Legislative Districts:  
Congressional: 15  
State Senate: 54  
State House: 108

Principal shall be paid annually in thirty equal installments of $4,667, with the first principal payment due one year from the date of closing, and successive principal payment dates to be at one year intervals thereafter, with the thirtieth and final payment of all principal then outstanding due thirty years from the date of closing. In addition, all accrued interest shall be paid annually in conjunction with each annual principal payment.

B. Project Number: A-FB-TE-CD-8661  
Borrower(s): Ochs, Daniel Paul & Bobbi Jean  
Borrower Benefit: First Time Land Buyer  
Town: Newton, IL  
IFA Bond Amount: $138,245  
Use of Funds: Farmland – 60 acres of farmland  
Purchase Price: $276,490 / ($4,608 per ac)  
%Borrower Equity: 5%  
% USDA Farm Service Agency: 45% (Subordinate Financing)  
%IFA: 50%  
Township: Smallwood  
Counties/Regions: Jasper / Southeastern  
Lender/Bond Purchaser: 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 March 1, 2015. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 1, 2015 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.
**NON-CONDUIT (DIRECT BOND PURCHASE)**

December 10, 2013

### REQUEST

**Purpose:** IFA will purchase Series 2014 Alternate Bonds to be issued by the Village of West Salem (the “Village” or “Borrower”). The Village will use bond proceeds to finance all or a portion of the costs of (i) the removal and disposal of sludge from the Village’s North Sewage Treatment Lagoons, (ii) the acquisition and installation of piping, manholes, flow meter and rock filter, and related improvements to its sewerage system in the City of West Salem, Edwards County, Illinois, and (iii) to pay project-related professional and legal expenses associated with the financing (collectively, the “Project”).

**Program Product Type:** Local Government Direct Bond Purchase

**IFA/State Funds at Risk:** $150,000. IFA will fund the proposed loan (and will be the direct purchaser of the proposed indebtedness).

### BOARD ACTIONS

Preliminary Resolution (subject to the proposed conditions listed on page 2 in the “Board Action” section)

### MATERIAL CHANGES

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

### JOB DATA

<table>
<thead>
<tr>
<th>Current jobs</th>
<th>New jobs projected</th>
<th>Retained jobs</th>
<th>Construction jobs projected (3 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>0</td>
<td>N/A</td>
<td>8</td>
</tr>
</tbody>
</table>

### BORROWER

- **Type of Entity:** The Village of West Salem is incorporated as a Village under the Illinois Municipal Code (65 ILCS 5/).

### DESCRIPTION

- **Location:** Edwards County/Southeast
- **When established:** The Village of West Salem was incorporated in 1857.
- **Borrower’s Mission:** The Village provides the following services as authorized by statute: public safety and health; maintenance of streets and highways; zoning and planning; public utility services (water, sewer, and sanitation); and general administration.
- **Project Impact:** The Project will extend the life of the existing North Treatment Facilities by removing and disposing of sludge that has built up over the past 50 years. The Project will improve sewage treatment resulting from the purchase and installation of new rock filtration and cascade aeration systems and other related sewerage system improvements.

### STRUCTURE

- **General Obligation Alternate Revenue Bonds payable from revenue derived from the operation of the sewerage system and a levy of property taxes by the Village (that will be abated if sewerage system operating revenues are sufficient to cover debt service payments). Additionally, the Village will pledge its interceptable state source revenues (i.e., income tax, sales tax, and replacement tax).**
- **Maturity:** Due in annual principal installments over 15 years
- **Interest Rate:** 4.125% *(Estimated fixed rate based on market conditions as of 11/24/2013)*
- **As proposed, IFA will purchase the Village’s Series 2014 Bonds as the initial lender/investor.**
- **Underlying Rating:** The Village is not a rated entity.

### SOURCES AND USES

<table>
<thead>
<tr>
<th>Sources:</th>
<th>Uses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFA Local Government Direct Bond Purchase</td>
<td>$136,500 Project Costs $516,000</td>
</tr>
<tr>
<td>DCEO CDAP Grant</td>
<td>387,000 Costs of Issuance 7,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$523,500</strong> <strong>Total $523,500</strong></td>
</tr>
</tbody>
</table>

### RECOMMENDATION

Credit Review Committee recommends approval subject to the proposed conditions identified on page 2.
ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 10, 2013

Project: Village of West Salem

STATISTICS

<table>
<thead>
<tr>
<th>Project Number: L-DP-TE-8664</th>
<th>Amount: $150,000 (not-to-exceed amount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type: Local Government Direct Bond Purchase</td>
<td>IFA Staff: Rich Frampton &amp; Brad R. Fletcher</td>
</tr>
<tr>
<td>Location: West Salem</td>
<td>County/Region: Edwards/Southeast</td>
</tr>
</tbody>
</table>

BOARD ACTION

Preliminary Resolution $150,000 IFA funds at risk
Local Government Direct Bond Purchase No extraordinary conditions

Credit Review Committee recommends approval of a Preliminary Resolution, subject to the following proposed conditions:

1. The Village Board shall approve appropriate ordinances authorizing the proposed debt as Alternate Revenue Bonds pursuant to Illinois law.
2. The Village will covenant and agree to provide for, collect, and apply sewerage system revenues to the payment of the proposed Series 2014 Bonds (IFA Local Government Direct Loan) and the provision of not less than an additional 0.25 times the required debt service payment (i.e., Village covenants to charge sewerage system rates sufficient to provide for minimum 1.25 times annual debt service coverage, as required for the issuance of Alternate Revenue Bonds under Illinois law). The subject Bonds will be the only Bonds that represent Alternate Bond debt payable by Sewerage System revenues.
3. The Village shall agree to pledge “interceptable” state revenues as additional security (such payments would be pledged to the bond paying agent).
4. The Village shall covenant to not pledge interceptable revenues to any other source without prior consent from the Authority.
5. Funding of the IFA Local Government Direct Loan to purchase the Village’s Series 2014 Bonds shall be subject to approval and funding of a grant to support construction of the Project under the Illinois Department of Commerce and Economic Opportunity’s Community Development Assistance Program (“CDAP”) in an amount currently estimated at $387,000 to fund the proposed improvements. (The subject loan would fund the Village’s local match under CDAP.)
6. This financing may be presented to the IFA Board of Directors for consideration of a Final Resolution after terms are substantially finalized, including terms and conditions of the CDAP grant.

VOTING RECORD

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

PURPOSE

IFA will purchase the proposed Series 2014 Alternate Bonds to be issued by the Village of West Salem (the “Village” or “Borrower”) with proceeds of the Bonds used to finance all or a portion of the costs of (i) the removal and disposal of sludge from the Village’s North Sewage Treatment Lagoons and (ii) the acquisition and installation of piping, manholes, flow meter and rock filter in the City of West Salem, Edwards County, Illinois, and (iii) to finance legal and professional costs associated with constructing and financing the proposed improvements (collectively, the “Project”).
IFA PROGRAM AND CONTRIBUTION

IFA’s Local Government Direct Bond Purchase Program directly purchases the debt (e.g., bonds, other evidences of indebtedness, tax anticipation warrants) originated by units of local government. The Program serves units of local government that have a borrowing that is small, located in a community lacking its own commercial bank, have a project that is ineligible or only partially eligible for other programs (including the Illinois’s EPA State Revolving Fund Loan Programs), and, as a result, has limited borrowing options.

The Direct Bond Purchase Program utilizes dedicated funds (currently totaling $2.5 million) that were originally appropriated to the Illinois Rural Bond Bank for this purpose. IFA also has the ability to allocate unencumbered treasury funds to purchase Bonds directly to fund this Program. The Local Government Direct Bond Purchase Program provides fixed rate financing for a maximum term of twenty years.

As of 11/30/2013, IFA had four loans comprising its Local Government Direct Bond Purchase Program portfolio, with a cumulative outstanding balance of $170,689. All payments were current as of 11/30/2013 and have been paid as scheduled. (The original combined balances at closing of each transactions totaled $392,000.) These loans closed between 1999 and 2008.

JOBS

<table>
<thead>
<tr>
<th>Current employment:</th>
<th>6</th>
<th>Projected new jobs:</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs retained:</td>
<td>N/A</td>
<td>Construction jobs:</td>
<td>8 (3 months)</td>
</tr>
</tbody>
</table>

SOURCES AND USES OF FUNDS

<table>
<thead>
<tr>
<th>Sources:</th>
<th>Uses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Salem Series 2014</td>
<td>Project Costs</td>
</tr>
<tr>
<td>Bonds (IFA Local Govt. Direct Bond Purchase)</td>
<td>$516,000</td>
</tr>
<tr>
<td>DCEO CDAP Grant</td>
<td>$136,500</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>$136,500</td>
<td>$523,500</td>
</tr>
<tr>
<td>$387,000</td>
<td>$523,500</td>
</tr>
<tr>
<td>$523,500</td>
<td>$523,500</td>
</tr>
</tbody>
</table>

FINANCING SUMMARY

Description of Proposed Debt Instrument:
As proposed, IFA would purchase the Village of West Salem’s Alternate Revenue Bonds subject to the conditions specified on page 2 of this report. (As a result, the Village’s Series 2014 Bonds would effectively be a tax-exempt direct loan by the Authority to the Village of West Salem.)

Descriptions of the Security/Structure and the Legal Authority for issuing Alternate Revenue Bonds are described under the headings that follow immediately in this section (and in the section “Supplemental Information Relating to the Proposed Issuance of “Alternate Bonds” by the Village of West Salem” on page 7 of this report).

Security/Structure:
The Village’s 2014 Bonds (the “Series 2014 Bonds”, which will be purchased directly by IFA) will be repaid from (a) net revenues of West Salem’s sewerage system and other such funds of West Salem as may be lawfully pledged (the "Pledged Revenues") and (b) from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes", and together with the Pledged Revenues, the "Pledged Moneys").

Additionally, West Salem shall pledge Intercept Revenues to the Authority in order to provide funds to pay the principal and interest on the Village’s Series 2014 Bonds (IFA Local Government Direct Bond Purchase) to the extent that such principal and interest are due, have not been paid, and are in default. (Sales, income, and personal property replacement taxes are the principal sources of prospective intercept revenues currently received by the Village of West Salem.)
Legal Authority: The Village’s Series 2014 Bonds will be issued pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended, (the “Debt Reform Act”). The Village will pledge such monies to the payment of Bonds and shall covenant to provide for and apply Pledged Revenues to the payment of Bonds and the provision of not less than an additional 0.25 times debt service, which pledge and covenant shall constitute a continuing obligation of the Village and continuing appropriation of the amounts received. For the prompt payment of the Bonds, the full faith, credit and resources of the Village are irrevocably pledged.

**Pre-Condition precedent to authorizing Alternate Revenue Bonds:** In order for the Village of West Salem to proceed with the issuance of Alternate Revenue Bonds, the Village Trustees of the Village of West Salem shall duly and properly adopt a Village Bond Resolution at some future date, as supplemented by a notification of sale for the Village’s Series 2014 Bonds (i.e., IFA Local Government Direct Loan).

For a more comprehensive summary of the legal requirements for issuing “Alternate Bonds”, please see “Supplemental Information relating to the proposed issuance of ‘Alternate Bonds’ by the Village of West Salem” on page 7 of this report.

**Maturity/Repayment Schedule/Interest Rate:** 15 year final maturity. Principal is expected to be due annually over the approximate 15-year life of the Bonds (preliminary, subject to change). Interest will be set at a fixed rate and payable semi-annually (currently estimated at 4.125%). The Bonds are subject to redemption prior to maturity.

**Estimated Closing:** March/April 2014

**Rationale:** The Village’s proposed Series 2014 Bonds, to be purchased by IFA, would provide the required local match necessary for the Village’s proposed $387,000 CDAP Grant request to the Illinois Department of Commerce and Economic Opportunity.

The Project will extend the life of the Village’s North Treatment Facilities by removing and disposing of sludge that has built up over the past 50 years. Additionally, the Project will upgrade the Village’s sewage treatment system as the result of installation of new rock filtration and cascade aeration systems.

As noted previously on page 3 (see IFA Program and Contribution section), IFA and its predecessor, the Illinois Rural Bond Bank, have direct purchased Local Government Bonds to provide permanent financing for small local government projects. IFA also has the flexibility to purchase Local Government Bonds from its general treasury funds.

**PROJECT SUMMARY**

Proceeds of the Loan will be lent to the Village of West Salem (the “Village” or “Borrower”) in order to finance all or a portion of the costs of (i) the removal and disposal of sludge from the Village’s North Sewage Treatment Lagoons, (ii) the acquisition and installation of piping, manholes, flow meter and rock filter and related improvements located in the Village of West Salem, Edwards County, Illinois, and (iii) to pay project-related professional and legal expenses (collectively, the “Project”).

Project Costs include the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment-System Improvements</td>
<td>$466,000</td>
</tr>
<tr>
<td>Engineering/Legal</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$516,000</strong></td>
</tr>
</tbody>
</table>
BUSINESS SUMMARY

Background: The Village of West Salem was founded in 1857 and is located in Edwards County, in southeastern Illinois. West Salem is located approximately 140 miles east of St. Louis.

The Village is governed by an elected Village Board and Village President (see Economic Disclosure Statement on page 6 for membership).

The Facilities will be owned and operated by the Village of West Salem. The sewerage system has approximately 408 connections (up from 397 in 2009) of which approximately 99% are to private residences.

The Village’s Outstanding IFA Alternate Revenue Bonds (Loans): In addition to the proposed Series 2014 Bonds that will be purchased by IFA, the Village also has two outstanding series of outstanding IFA Bonds including (i) $150,000 Illinois Rural Bond Bank Series 2001B (Alternate Revenue Bonds – Waterworks scheduled to mature in 2016) and (ii) $130,000 of Series 2008 Alternate Revenue Bonds - Waterworks that were purchased directly by IFA (15-year term; 4.25% fixed interest rate). Both of these transactions are principally serviced by waterworks system revenues (which is itself an independent enterprise fund). (Note: In contrast, sewerage system revenues will be the primary revenue source servicing the proposed Series 2014 Bonds.) The Village’s sewerage system is currently debt-free (as of 12/1/2013).

All payments on the Series 2001 and the IFA Direct Purchased 2008 Bonds are current and have been paid as scheduled (with outstanding principal balances of $37,000 and $56,000 outstanding as of 12/1/2013, respectively, with the combined principal balance to be reduced from $93,000 to $86,000, as scheduled, by 4/30/2014).

The Village’s Outstanding GO Debt: The Village’s other outstanding debt obligation is comprised of a $195,000 Series 2012 General Obligation Bond issue, the proceeds of which were used to purchase a fire truck (as of 12/1/2013, the outstanding balance was $182,000).

Table 1: Largest Taxpayers in West Salem, Illinois

<table>
<thead>
<tr>
<th>Taxpayer Name</th>
<th>Product/Service</th>
<th>2012 Equalized Assessed Valuation (&quot;EAV&quot;) [in Actual Dollars]</th>
<th>Percent of Village’s Total EAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baker Seed Company</td>
<td>Agriculture</td>
<td>$80,515</td>
<td>2.02%</td>
</tr>
<tr>
<td>Casey’s General Store</td>
<td>Retail</td>
<td>70,285</td>
<td>1.76%</td>
</tr>
<tr>
<td>West Salem Manor</td>
<td>Nursing Home</td>
<td>61,220</td>
<td>1.53%</td>
</tr>
<tr>
<td>West Salem Clinic</td>
<td>Healthcare</td>
<td>54,545</td>
<td>1.37%</td>
</tr>
<tr>
<td><strong>Total EAV of Largest Taxpayers in Village:</strong></td>
<td></td>
<td><strong>266,565</strong></td>
<td><strong>6.68%</strong></td>
</tr>
</tbody>
</table>

Table 2: Largest Employers in West Salem, Illinois

<table>
<thead>
<tr>
<th>Name of Employer</th>
<th>Product/Service</th>
<th>City</th>
<th>Approximately Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Salem School District</td>
<td>Public Schools</td>
<td>West Salem</td>
<td>30</td>
</tr>
<tr>
<td>Casey’s General Store</td>
<td>Retail</td>
<td>West Salem</td>
<td>8 to 10 (total)</td>
</tr>
<tr>
<td>Baker Seed Company</td>
<td>Agriculture</td>
<td>West Salem</td>
<td>4</td>
</tr>
<tr>
<td>West Salem Medical Clinic</td>
<td>Healthcare</td>
<td>West Salem</td>
<td>7 Full-Time &amp; 5 Part-Time</td>
</tr>
</tbody>
</table>
Table 3: Population Trends in West Salem, Illinois, 1990 – 2010

<table>
<thead>
<tr>
<th>Entity</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>% Change 2000-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Salem</td>
<td>1,042</td>
<td>1,001</td>
<td>897</td>
<td>-10.39%</td>
</tr>
<tr>
<td>Edwards County</td>
<td>7,440</td>
<td>6,971</td>
<td>6,721</td>
<td>-3.59%</td>
</tr>
<tr>
<td>State of Illinois</td>
<td>11,430,602</td>
<td>12,419,293</td>
<td>12,830,632</td>
<td>3.31%</td>
</tr>
</tbody>
</table>

Unemployment Rate:
Unemployment statistics are not compiled specifically for the Village or District. According to the Illinois Department of Employment Security, Edwards County posted an unemployment rate of 8.1% as of August 2013. This compared with 9.0% for the State of Illinois as of August 2013.

Median Household Income:
According to the U.S. Census Bureau, 2007 – 2011 American Community Survey, West Salem had a median household income of $39,643. This compared with $56,576 for the State and with $39,071 for Edwards County. Accordingly, the Village’s 2011 median household income was approximately 70.0% of the State’s median household income.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant: Debra Mason, Village Clerk, Village of West Salem, P.O. Box 456, West Salem (Edwards County), IL 62476
Secondary Contact: Michael R. Bridges, P.E., Charleston Engineering, Inc., Olney, Illinois: (T) 618-392-0736; E-mail: charlestonengineering@frontier.com
Location: The west half of the Southeast Quarter of the Southwest Quarter in Section 8, Township One North, Range 14 West, in Edwards County, Illinois (Rt. 808, West Salem, IL 62476)

Village Officers: Village President - Kevin Schilt
Village Clerk - Debra Mason
Village Treasurer - Kimberly Carlson

Trustees:
Larry Simms
Donald Cornelius
Glenna Hunley
Daniel Baker
Logan Yates
Sandy Beauchamp

PROFESSIONAL & FINANCIAL

Accountant: Kemper CPA Group LLP  Olney, IL  Ryan Hawkins
Borrower’s Counsel: Burke Law Office  Olney, IL  Paul V. Bishop II
Bond Counsel: Evans Froehlich, Beth & Chamley  Champaign, IL  Kurt Froehlich
Direct Bond Purchaser (Lender): Illinois Finance Authority  Chicago, IL
Grant Source: Illinois Dept. of Commerce and Economic Opportunity  Springfield, IL
Project (Civil) Engineer: Charleston Engineering, Inc.  Olney, IL  Michael Bridges
Paying Agent: To be determined
Rating Agencies: Not applicable
Counsel to Purchaser (IFA): To be determined
IFA Financial Advisor: Acacia Financial Group, Inc.  Chicago, IL  Jim Beck

LEGISLATIVE DISTRICTS

Congressional: 15
State Senate: 55
State House: 109
SUPPLEMENTAL INFORMATION RELATING TO THE PROPOSED ISSUANCE OF “ALTERNATE BONDS” BY THE VILLAGE OF WEST SALEM

Summary
Information on Alternate Revenue Bonds:

Section 15 of the Local Government Debt Reform Act provides that whenever there exists for a governmental unit a revenue source, the issuer [Village] may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as “Alternate Bonds”.

The Reform Act also provides that whenever there exists an alternate revenue source, a local government unit may issue Alternate Bonds. Such bonds are general obligation debt payable from the pledged alternate revenues with the general obligation of the issuer acting as back-up security.

The Reform Act prescribes several conditions that must be met before Alternate Bonds may be issued.

1. First, Alternate Bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the Alternate Bonds must be authorized under applicable law. Alternate Bonds may be issued payable from either enterprise revenues or other revenue sources, or both.

2. Second, the question of issuance must be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue Alternate Bonds, a petition signed by the greater of (i) 7.5% of the registered voters in the government unit or; (ii) 200 of those registered voters or 15%, whichever is less, is filed.

3. Third, the issuer [Village] must determine that the pledged revenue source or sources are sufficient in each year to final maturity to provide not less than 1.25 times debt service of the proposed Alternate Bonds and all other outstanding Alternate Bonds of the issuer [Village] payable from the same revenue source. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body [Village] to provide in each year an amount not less than 1.25 times debt service on all Alternate Bonds payable from such revenue sources previously issued and outstanding and the Alternate Bonds proposed to be issued. The issuer [Village] must in fact pledge and covenant to provide for, collect and apply the pledged alternate enterprise revenues or revenue source(s).
CONDUIT

$200,000,000
Elmhurst Memorial Healthcare

December 10, 2013

REQUEST

Purpose: Bond proceeds will be used by Elmhurst Memorial Healthcare (“EMHC”, the “Corporation” or the “Borrower”) to (i) refund all or a portion of the $100,000,000 IFA Variable Rate Demand Revenue Bonds, Series 2008B (Elmhurst Memorial Healthcare) (the “Series 2008B Bonds”), currently outstanding the principal amount of $100,000,000 (the “Series 2008B Bonds”); (ii) refund all or a portion of the $75,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Elmhurst Memorial Healthcare) (the “Series 2008C Bonds”), currently outstanding in the principal amount of $75,000,000 (the “Series 2008C Bonds”); (iii) refund all or a portion of the $25,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of $25,000,000 (the “Series 2008E Bonds” and, collectively with the Series 2008B Bonds and the Series 2008C Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Series 2013 Bonds, if deemed necessary or advisable by the Authority or EMHC; (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or EMHC; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “Financing Purposes”)

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

Extraordinary Conditions: None.

BOARD ACTIONS
Final Bond Resolution (One-time consideration)

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

JOB DATA
2,380 Current jobs N/A New jobs projected
N/A Retained jobs N/A Construction jobs projected

DESCRIPTION
• Location (Elmhurst / DuPage County / Northeast Region)
• Founded in 1926 as the first hospital in DuPage County, Illinois, Elmhurst Memorial Hospital strives to enhance the health of the communities and customers it serves. With 259 licensed beds, Elmhurst Memorial Hospital and its staff of more than 2,800 employees and 700 physicians are committed to excellence in medical and surgical care, cardiology, oncology, orthopedics, pediatrics, maternity and emergency care.

SECURITY
• The Bonds are expected to be secured by a Master Note of the Elmhurst Memorial Healthcare Obligated Group under and Master Trust Indenture.
• The Bonds will be unrated. EMHC has underlying ratings of BBB/Baa2 from Fitch/Moody’s

STRUCTURE
• The plan of finance contemplates the issuance of $125,000,000 Variable Rate Tax-Exempt Direct Purchase by JP Morgan Chase Bank, N.A. and $75,000,000 Variable Rate Tax-Exempt Direct Purchase by PNC Bank, N.A.

SOURCES AND USES

Sources: IFA Bonds $200,000,000
Uses: Refund IFA Series 2008 B $100,000,000
Refund IFA Series 2008 C 75,000,000
Refund IFA Series 2008 E 25,000,000

Total $200,000,000

RECOMMENDATION
Credit Review Committee recommends approval.
Project: Elmhurst Memorial Healthcare

STATISTICS

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<td>Pam Lenane and Nora O’Brien</td>
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<td>City:</td>
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<td>DuPage/Northeast</td>
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BOARD ACTION

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

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be used to: (i) refund all or a portion of the $100,000,000 IFA Variable Rate Demand Revenue Bonds, Series 2008B (Elmhurst Memorial Healthcare) (the “Series 2008B Bonds”), currently outstanding the principal amount of $100,000,000 (the “Series 2008B Bonds”); (ii) refund all or a portion of the $75,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Elmhurst Memorial Healthcare) (the “Series 2008C Bonds”), currently outstanding in the principal amount of $75,000,000 (the “Series 2008C Bonds”); (iii) refund all or a portion of the $25,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of $25,000,000 (the “Series 2008E Bonds” and, collectively with the Series 2008B Bonds and the Series 2008C Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Series 2013 Bonds, if deemed necessary or advisable by the Authority or EMHC; (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or EMHC; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 2,380 FTE’s
Projected new jobs: N/A
Construction jobs: N/A
ESTIMATED SOURCES AND USES OF FUNDS

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<td>Refund Series 2008C $75,000,000</td>
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<td>Refund Series 2008E $25,000,000</td>
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<tbody>
<tr>
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FINANCING SUMMARY

Security: The Bonds are expected to be secured by a Master Note of the Elmhurst Memorial Healthcare Obligated Group under a Master Trust Indenture.

Structure: The plan of finance contemplates the issuance of a $125,000,000 Variable-Rate Tax Exempt Non-Bank Qualified Direct Purchase by JP Morgan Chase Bank, N.A. and $75,000,000 of Variable Rate Tax Exempt Non-Bank Qualified Direct Purchase by PNC Bank, N.A.

Interest Rate: The initial interest rate on the variable rate debt is expected to be between 1.00% and 1.50% depending on the level of LIBOR as of the closing date.

Interest Mode: Variable rate.

Credit Enhancement: The bonds will be unrated without credit enhancement.

Maturity: 40 years

Credit Rating (s): Underlying ratings for Elmhurst Memorial Healthcare are BBB stable from Fitch and Baa2 negative from Moody's. The Bonds will be unrated.

Estimated Closing Date: December 2013

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used to: (i) refund all or a portion of the $100,000,000 IFA Variable Rate Demand Revenue Bonds, Series 2008B (Elmhurst Memorial Healthcare) (the “Series 2008B Bonds”), currently outstanding the principal amount of $100,000,000 (the “Series 2008B Bonds”); (ii) refund all or a portion of the $75,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Elmhurst Memorial Healthcare) (the “Series 2008C Bonds”), currently outstanding in the principal amount of $75,000,000 (the “Series 2008C Bonds”); (iii) refund all or a portion of the $25,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of $25,000,000 (the “Series 2008E Bonds” and, collectively with the Series 2008B Bonds and the Series 2008C Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Series 2013 Bonds, if deemed necessary or advisable by the Authority or EMHC; (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or EMHC; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

BUSINESS SUMMARY

Background: Founded in 1926 as the first hospital in DuPage County, Illinois, Elmhurst Memorial Hospital strives to enhance the health of the communities and customers it serves. With 259 licensed beds, Elmhurst Memorial Hospital and its staff of more than 2,800 employees and 700 physicians are committed to excellence in medical and surgical care, cardiology, oncology, orthopedics, pediatrics, maternity and emergency care.
Existing Bonds: 2004A tax-exempt variable demand bonds totaling $6,428,000, Series 2013A taxable fixed rate bonds totaling $76,025,000 and Series 2013B taxable fixed rate bonds totaling $33,000,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Elmhurst Memorial Health System
Location: 155 E Brush Hill, Elmhurst, IL 60126
Project name: Elmhurst Memorial Health System
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Contact: Vincent E. Pryor, Executive Vice President and Chief Financial Officer

Board of Trustees:

Elmhurst Memorial Healthcare Board (Parent)
Elmhurst Memorial Hospital Board (Hospital)

Ron Schubel, Chair                      Parent and Hospital  Chairman
Retired, Molex, Inc
Dave Atchison, Vice Chair               Parent and Hospital  Vice-chairman
CEO, Ponder & Company
Joe Beatty                              Parent and Hospital
Former CEO, Telular, Inc
David Brueggen                          Hospital
Anson Industries, Inc.
Ronald Cheff, MD                        Parent
Physician
Joe DePaulo                            Parent and Hospital
President, Clow Int'l Airport
Pam Davis                              Parent and Hospital  President
CEO, Edward-Elmhurst Healthcare
Brian Hagen                            Hospital
Exec Vice Pres, First American Bank
Kristina Katzovitz, MD                 Parent
Physician
Tom Kloet                              Parent and Hospital
CEO, TMX Group
Mary Kay Ladone                        Parent and Hospital
Vice Pres-Investor Relations, Baxter International
Donald Lurye, MD                       Parent and Hospital
Physician
Rocco Martino                          Parent and Hospital
Partner, LaSalle Capital Group, LP
Ron Nyberg                             Parent and Hospital
Partner, Nyberg & Cassioppi
Robert (“Bob”) Platt                   Hospital
President, Mostardi Platt
Tim Rivelli                            Parent and Hospital
Partner, Winston & Strawn

Ex-officio: Daniel Sullivan, MD         Hospital
Chief Medical Officer, Elmhurst Memorial Hospital
PROFESSIONAL & FINANCIAL

Borrower’s Counsel: Timothy G. Lawler  Chicago  Timothy Lawler
Bond Counsel: Jones Day  Chicago  Mike Mitchell
Banks: JP Morgan Chase Bank, N.A.  Chicago  Candice Richmond
PNC Bank, N.A.  Chicago  Kim McMahon
Bank Counsel: SNR Denton  Chicago  Mary Wilson
Bond Trustee Wells Fargo  Chicago  Gail Klewin
Issuer’s Counsel: Ice Miller  Chicago  Steven Washington

LEGISLATIVE DISTRICTS

Congressional:  6
State Senate:  23
State House:  46

SERVICE AREA

[Map showing service area with various locations marked]
# December 10, 2013

## $140,000,000
**Memorial Health System**

### REQUEST

**Purpose:** Bond proceeds of the Series 2014A and 2014B Bonds (which will be presented to the Board in January) will be used by **Memorial Health System** (the “System”) and **Memorial Medical Center** (“MMC” or the “Medical Center” and, together with the System, the “Borrowers”) to: (i) pay or reimburse the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects”, including necessary and attendant land acquisition, facilities, equipment, site work and utilities appurtenant thereto, for the Borrowers; (ii) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iv) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority or the Borrowers; and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

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

**Extraordinary Conditions:** None.

### BOARD ACTIONS

- Final Bond Resolution *(One-time consideration)*

### MATERIAL CHANGES

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

### JOB DATA

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<tr>
<th></th>
<th>Current jobs</th>
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<th>Retained jobs</th>
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### DESCRIPTION

- Location (Springfield / Sangamon County / Central Region)
- Memorial Health System’s (the “System”) vision is to be a national leader for excellence in patient care. The System’s mission, to improve the health of the people and communities that are served, is evident in its effort to provide healthcare services across the full continuum of care to the citizens of central Illinois, which it achieves by providing a great patient experience and emphasizing primary care services as well as continuity and coordination of services between the providers within the System.
- The System owns and operates MMC a 471 bed (in service) teaching tertiary hospital, and several affiliates including The Abraham Lincoln Memorial Hospital and Taylorville Memorial Hospital, which are critical access hospitals located in Lincoln, IL and Taylorville, IL, respectively.

### SECURITY

- Direct Note Obligation under a Master Trust Indenture. The Direct Note Obligation will be a full and unlimited obligation of the Obligated Group (the System and MMC) and will be secured by a security interest in the Pledged Revenues.

### STRUCTURE

- Fixed Rate Debt and Floating Rate Debt
- The Series 2014A Bonds will be issued based on the underlying credit of the System which is currently rated A1/A+ by Moody’s and S&P
- Bonds will mature no later than July 1, 2044

### SOURCES AND USES

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<tr>
<th>Source</th>
<th>Amount</th>
<th>Description</th>
<th>Amount</th>
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<td>IFA Bonds</td>
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<td>Debt Service Reserve Fund</td>
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<td><strong>Total</strong></td>
<td><strong>$140,000,000</strong></td>
<td><strong>Total</strong></td>
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### RECOMMENDATION

Credit Review Committee recommends approval.
ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 10, 2013

Project: Memorial Health System

STATISTICS

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<th>Project Number:</th>
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BOARD ACTION

Final Bond Resolution (*One-time Consideration*)
No IFA Funds at Risk

Credit Review Committee recommends approval

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

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

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

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

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

Current employment: 5,854  
Projected new jobs: 100
Construction jobs: 400

ESTIMATED SOURCES AND USES OF FUNDS

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<th>Amount</th>
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<td>IFA Bonds</td>
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<td>Costs of Issuance (to be paid by MMC)</td>
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<tr>
<td>Total</td>
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FINANCING SUMMARY

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

Structure: The plan of finance contemplates the issuance of fixed rate debt and floating rate debt. The Series 2014A fixed rate bonds will be sold in a public offering and will carry the rating of Memorial Health System which is currently A1/A+ by Moody’s and S&P, respectively. The Series 2014B floating rate bonds will be purchased directly by one or more lenders.

Interest Rate: To be determined on the day of pricing.

Interest Mode: The Series 2014A Bonds will be fixed rate. The Series 2014B Bonds will be floating rate (the Borrower will seek approval for the Series 2014B Bonds at the January Board Meeting).

Credit Enhancement: None (the bonds will carry the credit rating of Memorial Health System).

Maturity: Not later than July 1, 2044

Rating: Memorial Health System is currently rated A1/A+ by Moody’s and S&P. Ratings for the Bonds are expected in late December.

Est. Closing Date: January 2014

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

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

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

**BUSINESS SUMMARY**

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

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

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

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Memorial Medical Center  
Location: 701 N 1st Street  
Springfield, IL  
Project name: Memorial Medical Center  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois  
Contact: Robert W. Kay, Senior Vice President and CFO
Memorial Medical Center, Board of Directors, 2013
* Indicates membership on the System Board of Directors.

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<tr>
<th>Name</th>
<th>Affiliation</th>
<th>Term Expires</th>
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<tr>
<td>Dale M. Becker*</td>
<td>CPA</td>
<td>2020</td>
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<tr>
<td>Treasurer</td>
<td>Kerber, Eck &amp; Braeckel, CPAs</td>
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<tr>
<td>John D. Blackburn*</td>
<td>President</td>
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<tr>
<td>First Vice Chairman</td>
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<td>James P. Bruner*</td>
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<tr>
<td>Chairman</td>
<td>United Contractors Midwest</td>
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<td>Edgar J. Curtis*</td>
<td>President and Chief Executive Officer</td>
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<tr>
<td>President</td>
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<td>Mark H. Ferguson*</td>
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<td>Sorling Northrup</td>
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<td>Second Vice Chairman</td>
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<tr>
<td>David L. Griffen, MD, Ph.D</td>
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<td>Nina M. Harris*</td>
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<td>Springfield Urban League</td>
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<td>Joseph M. Hurwitz*</td>
<td>Partner</td>
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<td>Immediate Past Chairman</td>
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<td>Geoffrey R. Isringhausen</td>
<td>President</td>
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<td>Isringhausen Imports</td>
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<td>Susan J. Koch, EdD</td>
<td>Chancellor</td>
<td>2022</td>
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<td></td>
<td>University of Illinois Springfield</td>
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<td>Mark Kuhnke, MD</td>
<td>Physician</td>
<td>2017</td>
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<td>Springfield Clinic LLP</td>
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<td>Michael A. Pick, MD</td>
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<tr>
<td>Carol J. Hansen Posegate*</td>
<td>Retired Attorney</td>
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<td>Dean E. Robert, Jr.*</td>
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<td></td>
<td>Sysco Central Illinois, Inc.</td>
<td></td>
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<tr>
<td>Diane K. Rutledge, Ph.D.*</td>
<td>Executive Director</td>
<td>2020</td>
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<tr>
<td></td>
<td>Large Unit District Association</td>
<td></td>
</tr>
<tr>
<td>Todd W. Wise</td>
<td>President and COO</td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>United Community Bank</td>
<td></td>
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<tr>
<td>PROFESSIONAL &amp; FINANCIAL</td>
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</tr>
<tr>
<td>Borrower’s Counsel:</td>
<td>Sorling Northrup</td>
<td>Peoria</td>
</tr>
<tr>
<td>Bond Counsel:</td>
<td>Jones Day</td>
<td>Chicago</td>
</tr>
<tr>
<td>Underwriter:</td>
<td>Piper Jaffray</td>
<td>Chicago</td>
</tr>
<tr>
<td>Underwriter’s Counsel:</td>
<td>Katten Muchin</td>
<td>Chicago</td>
</tr>
<tr>
<td>Bond Trustee:</td>
<td>Bank of New York</td>
<td>Chicago</td>
</tr>
<tr>
<td>Financial Advisor:</td>
<td>Ponder &amp; Co.</td>
<td>Valparaiso, IN</td>
</tr>
<tr>
<td>IFA Financial Advisor:</td>
<td>Acacia Financial Group</td>
<td>Chicago</td>
</tr>
<tr>
<td>Issuer’s Counsel:</td>
<td>Charity &amp; Associates</td>
<td>Chicago</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEGISLATIVE DISTRICTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congressional:</td>
</tr>
<tr>
<td>State Senate:</td>
</tr>
<tr>
<td>State House:</td>
</tr>
</tbody>
</table>
SERVICE AREA

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

MHS Primary and Secondary Markets Map

![MHS Service Area Map](image-url)
To: IFA Board of Directors
From: Rich Frampton & Brad R. Fletcher
Date: December 10, 2013
Re: Resolution Providing for the Issuance of Not-To-Exceed $5,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (New Hope Center, Inc. Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and Related Documents; and Approving Related Matters
IFA Series 2008 File Number: N-NP-TE-CD-8046
IFA Series 2014 File Number: N-NP-TE-CD-8662

Request:
New Hope Center, Inc. (the “Borrower”), an Illinois not for profit corporation, and Old Plank Trail Community Bank, N.A., a wholly-owned subsidiary of Wintrust Financial Corporation (the “Bank” or “Bond Purchaser”), are requesting approval of a Resolution to (i) authorize execution and delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and related documents and (ii) approve related matters to effectuate the refinancing of a portion of the outstanding Illinois Finance Authority (“IFA”) Revenue Bonds, Series 2008 (New Hope Center, Inc. Project) (the “Series 2008 Bonds”) by issuing a Revenue Refunding Bond (New Hope Center, Inc. Project), Series 2014 (the “Series 2014 Bond”).

The Series 2008 Bonds are currently secured by a Direct Pay Letter of Credit from RBS Citizens, N.A. which is a wholly owned subsidiary of RBS Citizens Financial Group, Inc. Charter One is a brand name of RBS Citizens, N.A.

The original par amount of the Series 2008 Bonds was approximately $6,500,000. The outstanding par amount of the Series 2008 Bonds was $6,140,000 as of December 1, 2013. It is anticipated that Old Plank Trail Community Bank, N.A. will purchase the Series 2014 Bond in an expected amount of $5,325,000 and IFF will provide a subordinate, conventional loan of $815,000 to fully fund the redemption of the Series 2008 Bonds. This transaction will be considered a refunding for tax purposes. IFA’s estimated administrative fee will be $10,000.

Background:
The proceeds of the Series 2008 Bonds, together with other available funds of the Borrower, were used for (a) refinancing costs of acquisition of 15 acres of land (not to exceed $225,000), and financing costs of construction of an approximately 33,000 square foot building (not to exceed $5,051,000) owned and operated by the Borrower and used as a vocational and rehabilitation training center to provide work skills and employment training for persons with developmental disabilities, all located at the southwest corner of Cottage Grove Avenue and Monee Road in Crete, Illinois, and (b) refinancing costs of acquisition and/or construction of (i) an approximately 19,000 square foot building housing a sheltered workshop, training center and administrative offices owned and operated by the Borrower and located at 1624 East 154th Street, Dolton, Illinois (not to exceed $415,000), and (ii) various community integrated living arrangement facilities (“CILAs”) owned and operated by the Borrower and located at the addresses described below (collectively, the “Project”).

<table>
<thead>
<tr>
<th>CILA Location</th>
<th>Approximate Max. Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3409 Beckwith Lane, Crete, IL</td>
<td>$155,000</td>
</tr>
<tr>
<td>3946 Gloucester, Crete, IL</td>
<td>$142,000</td>
</tr>
<tr>
<td>336 Wingate Lane, Crete IL</td>
<td>$142,000</td>
</tr>
<tr>
<td>17227 Dobson, South Holland, IL</td>
<td>$98,000</td>
</tr>
<tr>
<td>16704 Ellis, South Holland, IL</td>
<td>$69,000</td>
</tr>
<tr>
<td>16614 Thornton, South Holland, IL</td>
<td>$64,000</td>
</tr>
<tr>
<td>17200 Louis Ave., South Holland, IL</td>
<td>$70,000</td>
</tr>
<tr>
<td>16256 Maryland, South Holland, IL</td>
<td>$69,000</td>
</tr>
</tbody>
</table>

All payments relating to the Series 2008 Bonds are current and have been paid as scheduled.
RESOLUTION NO. 2013-1210-AD__

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $5,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND (NEW HOPE CENTER, INC. PROJECT) THE PROCEEDS OF WHICH ARE TO BE LOANED TO NEW HOPE CENTER, INC.

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, NEW HOPE CENTER, INC., an Illinois not for profit corporation (the “Corporation”), has requested that the Authority issue revenue bonds consisting of the Authority’s Revenue Refunding Bond (New Hope Center, Inc. Project), Series 2014 (the “Series 2014 Bond”) in an aggregate principal amount not to exceed $5,500,000 and loan the proceeds thereof to the Corporation in order to assist the Corporation in providing a portion of the funds necessary to refund all of the Authority’s Revenue Bonds, Series 2008 (New Hope Center, Inc. Project) (the “Series 2008 Bonds”); and (ii) if deemed desirable, pay certain expenses incurred in connection with the issuance of the Series 2014 Bond and the refunding of the Series 2008 Bonds, all as permitted by the Act (collectively, the “Financing Purposes”); and

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

WHEREAS, in connection with the issuance of the Series 2014 Bond, the Corporation and the Purchaser will enter into various additional documents containing certain covenants for the benefit of the Purchaser and providing certain additional security for the Series 2014 Bond.
NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

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

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

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

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

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

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

Section 2. Series 2014 Bond. In order to obtain the funds to loan to the Corporation to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2014 Bond. The Series 2014 Bond shall be issued under and secured by and shall have the terms and provisions set forth in the Bond and Loan Agreement in an aggregate principal amount not exceeding $5,500,000. The Series 2014 Bond shall be issued in a single series designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of the Bond and Loan Agreement.

The Series 2014 Bond shall mature not later than 30 years from the date of its issuance, may be subject to serial maturities, principal installment requirements or mandatory bond sinking fund redemption as provided in the Bond and Loan Agreement and shall bear interest at fixed or variable rates not exceeding 15% per annum. The Series 2014 Bond shall be subject to redemption and to tender and be payable all as set forth in the Bond and Loan Agreement.

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

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

The Series 2014 Bond and the interest thereon shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority from the Corporation pursuant to the Bond and Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2014 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2014 Bond, (ii) the income and revenues derived by the Authority from the Corporation pursuant to the Bond and Loan Agreement and other amounts available under the Bond and Loan Agreement and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the Series 2008 Bonds to be refunded, the principal amount of the Series 2014 Bond and any names or other designations therefor, dated date, maturities, purchase price, any principal installments or mandatory sinking fund redemption dates and amounts, redemption provisions, tender provisions, the Purchaser of the Series 2014 Bond, and the interest rates of the Series 2014 Bond, all within the parameters set forth herein.

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

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

Section 5. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such
acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption agreements, supplemental bond and loan agreements, escrow agreements or other agreements providing for the payment of the Series 2008 Bonds, and any additional documents as may be necessary to carry out and comply with the provisions of these resolutions, the Bond and Loan Agreement and Arbitrage and Tax Certificate, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond and Loan Agreement, Arbitrage and Tax Certificate or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond and Loan Agreement.

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

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

Section 8. Effectiveness. This Final Bond 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
Date: December 10, 2013
From: Lorrie Karcher

Re: Request for approval allowing release of acreage:
   1) 2.25 acres of farmland on IFA Beginning Farmer Bond loan listed below.

   Loan # 2008-09-0003 (Beginning Farmer Bond)
   Original Amount: $245,000.00
   Current Balance: $205,361.00
   IFA Exposure: $0

Central Bank Illinois (“Bank”) and Justin Hardin (“Borrower”) have requested IFA concurrence for approval to release of 2.25 acres of farmland from an existing Beginning Farmer Bond loan, originated October 2008. The Borrower originally purchased 75 acres of farmland and has requested this release to enable construction of a new home on the 2.25 acre parcel following execution of the release.

The subject property is in Henry County, Western Township, Illinois.

Due to the Borrower’s repayment history and the collateral coverage, the Bank has already approved the Borrowers’ request; however, because the IFA has an existing bond in place, the Bank is requesting IFA’s concurrence on this collateral release request.

Because IFA is solely an issuer of conduit revenue bonds on the current financing (and, as a result, Central Illinois Bank is the secured lender/bond investor and bears 100% of any default risk), the Credit Review Committee recommends approval of the requested collateral release of 2.25 acres of farmland.

______________________________________________________________________________
ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Pamela Lenane, Acting General Counsel

Date: December 10, 2013

Re: Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed $370,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto

Request:

The Joliet Arsenal Development Authority (“JADA”) is a political subdivision, body politic, and municipal corporation established under Illinois law (70 ILCS 508/, et seq.) (the “JADA Act”). JADA has requested the Illinois Finance Authority (“IFA”) to consider the accompanying Resolution that would authorize the Executive Director of the IFA to execute an Appropriation Anticipation Loan Agreement with JADA in an amount not-to-exceed $370,000.

As proposed by JADA, the IFA $370,000 Appropriation Anticipation Loan would enable JADA to cover payment of interest for debt service for an anticipated term of up to six months. Repayment of the Appropriation Anticipation Loan would be subject to an appropriation intercept to IFA. JADA will support an appropriation to pay the IFA in full. Any proceeds remaining after retirement of the mortgage will be applied to the Appropriation Anticipation Loan.

The accompanying Resolution would authorize a maximum loan term of up to 24 months (i.e., through December 31, 2015). Negotiation of other terms and conditions precedent to closing of the Appropriation Anticipation Loan financing would be delegated to IFA’s Executive Director and reported to the IFA Board of Directors

Proposed Conditions:

1. Maximum IFA Grant Anticipation Note Amount and Term: The proposed Appropriation Anticipation Loan may take the form of a loan structured with a maximum term of 24 months and for a maximum principal amount of $370,000.

2. IFA Appropriation Anticipation Loan Proceeds shall be Limited to Eligible Expenses: Funding of any Appropriation Anticipation Loan to JADA will be limited to the payment of principal and interest for debt service on existing debt.

3. Security for IFA Grant Anticipation Note Agreement: Repayment of the Appropriation Anticipation Loan would be subject to an appropriation intercept.

4. Mandatory Redemption: 100% of the advanced principal balance (up to $370,000) and interest on IFA’s Appropriation Anticipation Loan shall become immediately due and payable on the earlier of (i) funding of the funding of the appropriation by the State of Illinois (the “State”), (ii) if JADA receives sufficient proceeds from the sale of property to retire the existing mortgage, all remaining proceeds will be applied to the Loan, or (iii) the final maturity date of December 31, 2015.

5. Right to Impose Additional Terms and Conditions: IFA’s Executive Director is authorized to negotiate and impose any additional terms and conditions deemed necessary or advisable in order to assure that (i) Appropriation Anticipation Loan proceeds are expended in an appropriate manner and (ii) the IFA Appropriation Anticipation Loan is promptly repaid in full upon the receipt of proceeds from a sale of property or the availability of State funds to JADA.

6. Interest and Reimbursement for Reasonable Fees, and Expenses: IFA’s Executive Director is authorized to determine applicable interest rate and fees, if deemed necessary or desirable. Additionally, IFA’s Executive Director may request reimbursement for reasonable out-of-pocket expenses and
professional services incurred in connection with this Appropriation Anticipation Loan, if deemed necessary or advisable.

Background Information on JADA

JADA was established in 1995 to facilitate the adaptive reuse and transformation of 3,000 acres of land donated to JADA as part of the decommissioning of the former Joliet Arsenal facility by the United States Department of Defense (“Department of Defense”). Federal law requires that a state created what is known as a “local reuse authority” to accept property transfers from the Department of Defense. JADA was established for that purpose, among others. Portions of the original 3,000 acre site have been subdivided, sold, and redeveloped as CenterPoint Intermodal Center – Elwood, Prologis Park – Arsenal, and the Operating Engineers Apprenticeship & Skill Improvement Training Facility.

JADA is governed by a 10-member board comprised of 4 members appointed by the Governor of Illinois and 6 members appointed by the Will County Board Executive.

Prior IFA Short-Term Loan to Entity Established by Illinois Statute

The proposed Appropriation Anticipation Loan to JADA would be similar in scope and purpose to a short-term $175,000 Grant Anticipation Note approved by the IFA Board of Directors in July 9, 2013 on behalf of JADA. The principal balance plus interest (1%) and a fee (3%) was paid in full on September 11, 2013.
IFA RESOLUTION NO. 2013-1210-AD

RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER AN APPROPRIATION ANTICIPATION LOAN IN AN AMOUNT NOT-TO-EXCEED $370,000 TO THE JOLIET ARSENAL DEVELOPMENT AUTHORITY (“JADA”) AND RATIFYING CERTAIN MATTERS RELATED THERETO

WHEREAS, the Joliet Arsenal Development Authority (“JADA”) is a political subdivision, body politic, and municipal corporation created pursuant to provisions of the Joliet Arsenal Development Authority Act, 70 ILCS 508/1, et seq. (the “JADA Act”) to facilitate the adaptive reuse and transformation of land donated to JADA as part of the decommissioning of the former Joliet Arsenal Facility; and

WHEREAS, JADA is experiencing financial difficulties and has insufficient monies necessary to meet its statutory purposes and powers outlined in the JADA Act; and

WHEREAS, JADA has requested the Illinois Finance Authority to make an interim loan in an amount not to exceed $370,000 (the “Appropriation Anticipation Loan” or “Loan”) to JADA (the “Borrower”) for the purposes of, among other things, the day-to-day continued operations of JADA in order to carry out its mission governed by the JADA Act; and

NOW THEREFORE, BE IT RESOLVED that the foregoing WHEREAS clauses are incorporated herein; and

BE IT FURTHER RESOLVED THAT the Illinois Finance Authority hereby approves the proposed terms and conditions of the Loan in substantially the form immediately below:

1. Maximum IFA Grant Anticipation Note Amount and Term: The proposed Appropriation Anticipation Loan may take the form of a loan structured with a maximum term of 24 months and for a maximum principal amount of $370,000.

2. IFA Appropriation Anticipation Loan Proceeds shall be Limited to Eligible Expenses: Funding of any Appropriation Anticipation Loan to JADA will be limited to payment of principal and interest for debt service on existing debt.

3. Security for IFA Grant Anticipation Note Agreement: Repayment of the Appropriation Anticipation Loan would be subject to an appropriation intercept.

4. Mandatory Redemption: 100% of the advanced principal balance (up to $370,000) and interest on IFA’s Appropriation Anticipation Loan shall become immediately due and payable on the earlier of (i) funding of the funding of the appropriation by the State of Illinois (the “State”), (ii) if JADA receives sufficient proceeds from the sale of property to retire the existing mortgage, all remaining proceeds will be applied to the Loan, or (iii) the final maturity date of December 31, 2015.

5. Right to Impose Additional Terms and Conditions: IFA’s Executive Director is authorized to negotiate and impose any additional terms and conditions deemed necessary or advisable in order to assure that (i) Appropriation Anticipation Loan proceeds are expended in an appropriate manner and (ii) the IFA Appropriation Anticipation Loan is promptly repaid in full upon receipt of proceeds from a sale of property or the availability of State funds to JADA.
6. Interest and Reimbursement for Reasonable Fees, and Expenses: IFA’s Executive Director is authorized to determine applicable interest rate and fees, if deemed necessary or desirable. Additionally, IFA’s Executive Director may request reimbursement for reasonable out-of-pocket expenses and professional services incurred in connection with this Appropriation Anticipation Loan, if deemed necessary or advisable.

BE IT FURTHER RESOLVED THAT the Illinois Finance Authority hereby approves the terms and conditions of the Loan in substantially the form set forth at this meeting, with such changes as the Executive Director and the officer executing such documents and certificates agree to in writing; and

BE IT FURTHER RESOLVED THAT, the Executive Director of the Authority (and any designee of such Executive Director) are authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution; and

BE IT FURTHER RESOLVED THAT all such actions heretofore taken by the Executive Director (or any designee of such Executive Director) in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are hereby approved, confirmed and ratified; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately upon adoption.
The Illinois Finance Authority (the “Authority”) has issued tax-exempt bonds for the benefit of local governments, nonprofit corporations, for-profit corporations and others (“Borrowers”) and expects that it will in the future issue additional tax-exempt bonds for the benefit of such Borrowers. Under federal tax law, a number of different requirements must be met for bonds to qualify as tax-exempt bonds, including restrictions on use of bond-financed property and restrictions on investment of bond proceeds. Under federal securities laws and State laws, a number of other requirements apply to the Authority’s bonds.

There has been an increased focus by the Internal Revenue Service (“IRS”) on post-issuance compliance to ensure that the federal subsidy provided by the interest exclusion on tax-exempt bonds is properly applied. The IRS treats the issuer, not the conduit borrower, as the “taxpayer” in examinations of tax-exempt bonds and requires that a conduit issuer must be involved in a number of actions including, but not limited to: (1) responding to an examination of the bond issue by the IRS; (2) submitting a voluntary closing agreement request to the IRS; (3) implementing a “remedial action” upon the change of use of bond-financed property; and (4) executing a “hedge identification” permitting an interest rate swap or other interest rate hedge to be taken into account in determining bond yield. The IRS has said that a conduit issuer may adopt written post-issuance monitoring procedures and the Tax Exempt Bonds (“TEB”) Voluntary Closing Agreement Program (“VCAP”) provides an economic incentive for conduit issuers to implement written post-issuance compliance procedures. The Securities and Exchange Commission (“SEC”) has also emphasized the desirability of post-issuance compliance procedures.

In your folders is a draft of the Tax-Exempt Bond Compliance Policy of the Illinois Finance Authority (the “Policy”). The general approach of the Policy is based on the acknowledgement by the Authority that compliance with the bond requirements is achieved not only by actions taken on the date of issuance of a bond issue, but also actions taken by Borrowers and the Authority throughout the term of the bond issue. In general, the Authority intends that actions it takes on the date of issuance of a bond issue (such as requiring and makes representations and covenants in bond documents) and thereafter, will fit into the framework of the Policy. The Authority intends that using the Policy as the general framework for bond compliance will help to ensure consistent adherence to all applicable requirements of federal tax law, federal securities laws and State laws. The Policy acknowledges, however, that Borrowers and the Authority must comply with the specific requirements of bond documents for bonds issued before the adoption of the Policy, which may not be consistent in all respects with specific portions of the Policy.

Another objective of the Policy is to provide a framework to better delineate the responsibilities of the Authority as compared to the responsibilities of Borrowers and other participants in a bond issue. The Policy generally provides that Borrowers have the primary responsibility for post-issuance compliance, but also carefully delineates the limited responsibilities of the Authority.

The Authority intends that the Policy will be a “living” document that will be revised and improved over time to reflect new transactions, changes of law and ideas for improvement that arise over time as the Policy is implemented in practice.
RESOLUTION 2013-1210-AD

RESOLUTION AUTHORIZING THE ADOPTION OF THE TAX-EXEMPT BOND COMPLIANCE POLICY OF THE ILLINOIS FINANCE AUTHORITY

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

WHEREAS, the Authority from time to time issues its tax-exempt bonds (the “Bonds”) for the benefit of local governments, nonprofit corporations, for-profit corporations and others (each a “Borrower” and collectively, the “Borrowers”) and expects that it will in the future;

WHEREAS, on June 14, 2011, the Authority approved the Resolution of Illinois Finance Authority Relating to Revised Form 8038 (“Resolution 2011-0614-AD11”), which ensured its ability to report the establishment of written procedures by requiring Borrowers to execute a tax exemption agreement or other tax compliance document (the “Tax Agreement”) containing language that the execution and delivery of the Tax Agreement would be treated by the Authority and the Borrower as the establishment of written procedures;

WHEREAS, since the adoption of Resolution 2011-0614-AD11, the Authority acknowledges the need to establish a Tax-Exempt Bond Compliance Policy (the “Policy”) that will apply to all Authority bond issues setting forth procedures and guidelines intended to provide reasonable assurance that each bond issue meets the applicable federal tax law, federal securities law, State law and contractual requirements; and

WHEREAS, the Policy generally provides that Borrowers have the primary responsibility for post-issuance compliance, but also carefully delineates the limited responsibilities of the Authority.

WHEREAS, Authority intends that the Policy will be a “living” document that will be revised and improved over time to reflect new transactions, changes of law and ideas for improvement that arise over time as the Policy is implemented in practice.

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

Section 1. The Authority hereby establishes a Tax-Exempt Bond Compliance Policy that sets forth procedures and guidelines that are intended to provide reasonable assurance that each bond issue meets the applicable federal tax law, federal securities law, State law and contractual requirements. The Policy generally provides that Borrowers have the primary responsibility for post-issuance compliance, but also carefully delineates the limited responsibilities of the Authority.

Section 2. The Authority hereby authorizes and ratifies the Policy as presented in substantially final form and authorizes the action or actions of the Executive Director or the General Counsel of the Authority or any person duly appointed by the Members to serve in any such office on an interim basis, any officer, employee or agent of the Authority delegated and authorized by the Members the requisite powers of such office, or any two Members of the Authority (each an “Authorized Officer”) in determining the revisions, if any, for and on behalf of the Authority, and each of them hereby is, authorized and ratified in all respects.

Section 3. The Authority hereby delegates to the Authorized Officers, the power and duty to amend, modify, supplement, restate or replace the Policy, all within the parameters set forth herein and in accordance with the provisions of the Act.

Section 4. The Authorized Officers 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, and all of the acts and doings of the Authorized Officers, Members, officers, agents and employees of the Authority which
are in conformity with the intent and purposes of this resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 5. That the provisions of this Resolution are hereby declared to be severable and if any action, 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. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 7. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.
To: IFA Board of Directors

From: Dennis Anosike, Chief Financial Officer/Agency Procurement Officer

Date: December 10, 2013

Re: Resolution Approving the Terms of Various Contracts

On November 19, 2013 the Illinois Finance Authority (the “Authority” or “IFA”) published a Request for Proposal (“RFP”) on the Authority’s website and on the Illinois Procurement Bulletin requesting proposals from qualified law firms with the experience, capability and expertise to provide bond counsel, loan counsel, issuer counsel or other legal services to the Authority.

The RFP was issued under Section I (A)(2) of the Authority’s Procurement Policy to enable the Authority to timely replace expiring legal services agreements and to update the legal services vendors in light of on-going consolidations in the industry. Responses to the RFP were due at 5:00 p.m. on December 2, 2013. Given the Thanksgiving Holiday, the response due date was extended to December 4, 2013 at 5:00 p.m.

The Authority received forty-one (41) responses from across the State of Illinois. An Evaluation Committee that included Pamela Lenane, (Acting General Counsel), Nora O’Brien (Associate General Counsel) and Dennis Anosike (Chief Financial Officer Officer) evaluated the responses based on professional qualifications, experience, ability to perform required services and references.

Following the review, the Evaluation Committee recommended the following law firms for pre-approval as firms that the Authority may utilize for various legal services:

Arnstein & Lehr LLP
Burke Burns & Pinelli, LTD.
Chapman and Cutler LLP
Charity & Associates, P.C.
Duane Morris LLP
Del Galdo Law Group, LLC
Deutsch, Levy & Engel, Chartered
Foley & Lardner LLP
Franczek Radelet P.C.
Gonzalez Saggio & Harlan, LLC
Greenberg Traurig, LLP
Greene & Letts
Hardwick Law Firm, LLC
Hart, Southworth & Witsman
Hinshaw & Culbertson LLP
The contract will be for an initial two-year term with the Authority’s option for a one year extension. Annual compensation to the firms will depend on the Authority’s need, the specific services performed and the firm’s rates.
RESOLUTION NO. 2013-1210-AD09

RESOLUTION APPROVING THE TERMS OF VARIOUS CONTRACTS

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

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

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

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

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

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

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

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

Section 2. Approval of Legal Services Contracts. The Authority hereby approves the terms of the contracts with the Vendors listed below as Vendors the Authority may utilized for various legal services (“Legal Services Contracts”).

List of Vendors:
Arnstein & Lehr LLP
Burke Burns & Pinelli, LTD.
Chapman and Cutler LLP
Charity & Associates, P.C.
Duane Morris LLP
Del Galdo Law Group, LLC
Deutsch, Levy & Engel, Chartered
Foley & Lardner LLP
Section 4. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, including but not limited to designating the various categories for which firms are eligible to provide legal services, and to execute, acknowledge and deliver any and all such agreements, instruments, certificate and other documents as may be required in connection with the Legal Services Contracts.

Section 5. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done,
shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

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

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

Section 8. Immediate Effect. 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: William A. Brandt, Jr., Chairman

Date: December 10, 2013

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

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

RESOLUTION APPOINTING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY

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

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

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

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

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

Section 2. Appointment of Executive Director. has been nominated by the Governor for consideration by the Board for the office of Executive Director of the Authority. After due consideration, the members of the Authority have determined that has satisfied all of the requirements set forth in the Act for appointment to the office of Executive Director of the Authority, including that he is knowledgeable in the areas of financial markets and instruments, and accordingly, is qualified to serve in this office. is hereby appointed as to the office of Executive Director of the Authority for a one-year term commencing on the date of adoption of this Resolution.

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

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

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

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

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

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

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RESOLUTION 2013-1210-AD11

RESOLUTION OF RECOGNITION AND APPRECIATION TO BOARD MEMBER DR. WILLIAM BARCLAY

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

WHEREAS, pursuant to Section 801-15 of the Act, 20 ILCS 3501/801-15, the Governor appointed Dr. William Barclay as a Board Member of the Authority on June 12, 2007 and Dr. Barclay has served with distinction as a Board Member since the date on which he was appointed to the Authority;

WHEREAS, during his tenure, Dr. Barclay brought his many talents to the Authority and was very involved in all sectors of the Authority’s business. Dr. Barclay was particularly interested in healthcare and minority participation in financings. Under Dr. Barclay’s leadership, minority participation in the underwriting group on major financings was increased geometrically;

WHEREAS, in early 2008, the Authority, as a major national issuer of conduit debt, faced particularly challenging market conditions due to the rapid and unexpected deterioration of the ratings of bond insurers and the concurrent loss of confidence in the market for auction rate and variable rate debt. Dr. Barclay, as Chairman of the Healthcare Committee, and the Board moved swiftly to respond to this critical situation in the marketplace. The Board directed Authority staff to proactively address the situation with the Authority’s borrowers in an efficient, effective and logical manner. As a result of Dr. Barclay’s leadership and the Board’s actions, borrowers were able to avoid, to the extent possible, substantial costs due to the unpredictable and unprecedented market conditions. The Board and the Healthcare Committee confirmed the Authority’s reputation in the marketplace as an efficient, effective and responsive issuer of conduit debt; and

WHEREAS, Dr. William Barclay will resign from the Board of the Authority effective December 31, 2013.

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

Dr. William Barclay is commended for his service to the Authority and to the people of the state of Illinois and as a result of his dedicated service he has the gratitude of the Members of the Authority and the Authority staff for his fine work and leadership.

Adopted this 10th day of December 10, 2013