ILLINOIS FINANCE AUTHORITY

Thursday, November 14, 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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds ***Final*** *(One-Time Consideration)*						
1	A) Austin D. & Kim A. Ferguson	Crooked Creek Township (Jasper County)	$153,000	-	-	LK
	B) Tyler Ethan Ory Vaughn	Big Mound Township (Wayne County)	$160,000	-	-	LK
	C) Curt W. & Stacey R. Robbins	Jasper Township (Wayne County)	$250,000	-	-	LK
	D) Gregory S. & Shyannon R. McFarland	Flannigan Township (Hamilton County)	$215,600	-	-	LK
	E) Mason T. Muchow	West Township (Effingham County)	$246,783	-	-	LK
	F) Cody Heiden	Wheatland Township (Fayette County)	$285,000	-	-	LK
Young Farmer Guarantee ***Final*** *(One-Time Consideration)*						
2	Overton, Tyler & Candace J.	Pleasant Grove Township (Coles County)	$193,000	-	-	RF/LK
TOTAL AGRICULTURE PROJECTS			**$1,503,383**	**-**	**-**	

LOCAL GOVERNMENT PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Local Government Bonds ***Final*** *(One-Time Consideration)*						
3	Flora Community Unit School District Number 35	Flora (Clay, Wayne and Marion Counties)	$9,000,000	**N/A**	**75**	RF/BF
TOTAL LOCAL GOVERNMENT PROJECTS			**$9,000,000**	**-**	**75**	

EDUCATIONAL, CULTURAL AND NON-HEALTHCARE 501(c)(3) PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Commercial Paper Revenue Notes ***Final*** *(One-Time Consideration)*						
4	The Lincoln Park Zoological Society	Chicago (Cook County)	$30,000,000	10	300	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$30,000,000**	**10**	**300**	

PROJECT REPORTS AND RESOLUTIONS

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final*						
5	The Lodge of Northbrook, Inc.	Northbrook (Cook County)	$15,500,000	5	80	PL/NO
TOTAL HEALTHCARE PROJECTS			**$15,500,000**	**5**	**80**	
GRAND TOTAL			**$56,003,383**	**15**	**455**	

RESOLUTIONS

Tab	Action	Staff
Resolutions		
6	Resolution Approving the Defeasance of Financially Distressed City Debt Restructuring Revenue Refunding Bonds, Series 2010 (City of East St. Louis Project); and Related Matters	RF/BF
7	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	CM/PL
8	Resolution Adopting the Amended and Restated Plan Document of the Illinois Finance Authority 401(a) Contribution Plan	PL

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November 14, 2013

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

RE: Message from the Executive Director

Dear Members of the Authority:

Governor Quinn's Clean Water Initiative Coming to Market

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.

Bond proceeds will fund loans made by the Illinois Environmental Protection Agency ("IEPA") to units of local government in the State to finance eligible wastewater treatment and sanitary sewerage facilities (the "Clean Water Program") and drinking water facilities (the "Drinking Water Program" and together with the Clean Water Program", the "SRF Program") for federal fiscal years 2011, 2012 and 2013.

Bond proceeds will also refund outstanding bonds of the Authority for the benefit of IEPA's SRF Program. By refunding the outstanding bonds and shifting to a new Master Trust Indenture, the transaction will also free up nearly $50 million currently held in a debt service reserve fund. The transaction will likewise generate sufficient revenue to provide matching funds equal to twenty percent (20%) of the amount received in federal capitalization grants for the SRF Program (the "State Match") for federal fiscal years 2011 through 2013. By freeing up the reserve and paying for three years of the State Match, the Illinois General Assembly will not have to appropriate scarce taxpayer dollars or scarce Illinois capital fund dollars.

Importantly, the Authority is not solely acting as a conduit or facilitator in this transaction, but rather is managing the Bond financing – with the duties and responsibilities that correspond with such status. While the IEPA remains the SRF Program administrator, the Authority will now have increased duties and obligations; accordingly, the Authority will be compensated for these new responsibilities, which include heightened management and disclosure duties. This vital work will be led by Authority CFO Dennis Anosike and his team.

This would not have been possible without the leadership and tireless work of my colleague in Governor Quinn's cabinet, IEPA Director Lisa Bonnett, and her team. Nor would this have been possible without a sustained team effort by Authority staff. Of special note, Sohair, Pam, Rich, Dennis and Brad as well as Terrell, Nora, Mari and Norma have all worked to get us to this important point. We hope that this will be the first of many bond issuances under Governor Quinn's Clean Water Initiative.

PACE Seeking Assistance

On this month's agenda, I would like to call to your attention a request by the Suburban Bus Division ("PACE") of the Regional Transportation Authority ("RTA"). PACE has requested the Authority's assistance in borrowing funds for certain projects authorized by its Board and State law. As a result, we are requesting authorization to enter into an Intergovernmental Agreement with PACE pursuant to which the Authority will issue its bonds and loan the proceeds thereof to PACE and also select and retain persons to provide various professional services. This undertaking is subject to the approval of the RTA.

Defeasance of Series 2010 East St. Louis Bonds

Also on this month's agenda, 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 moneys 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). 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.

Senate Confirmation of Roger Poole

Finally, we are very pleased to announce that the Illinois Senate confirmed Governor Quinn's appointment of Roger Poole on October 23, 2013. On behalf of the Members and the staff of the Authority, we thank you for your commitment to public service and we look forward to working with you in support of jobs and financing capital expansion projects throughout our great state.

Respectfully,

Christopher B. Meister
Executive Director

Attachments:

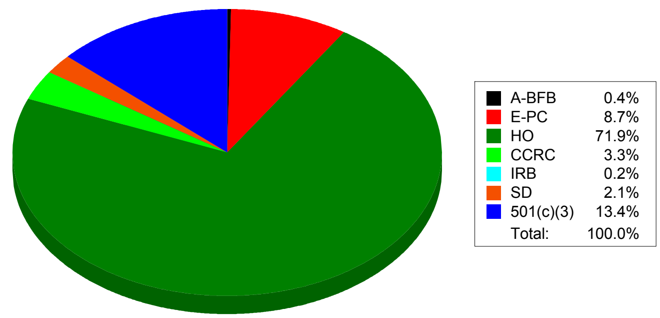
Attachment 1 - Monthly Bonds Activity Report

Bonds Issued - Calendar Year Comparison
as of October 31, 2013

Calendar Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,853,465
2	Education	177,390,000
13	Healthcare - Hospital	1,459,760,000
2	Healthcare - CCRC	66,765,000
1	Industrial Revenue	3,795,000
1	Local Government Schools	42,010,000
9	501(c)(3) Not-for-Profit	272,851,846
68		$ 2,030,425,311

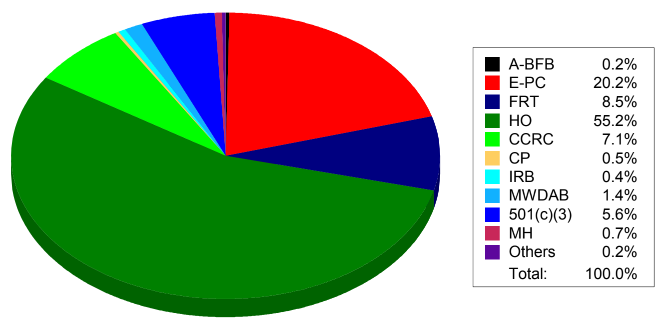
Bonds Issued in Calendar Year 2011



Calendar Year 2012

#	Market Sector	Principal Issued
24	Agriculture - Beginner Farmer	5,964,724
6	Education	536,145,000
13	Healthcare - Hospital	1,462,043,200
2	Healthcare - CCRC	187,500,068
3	Industrial Revenue	11,612,280
4	Midwest Disaster Area Bonds	36,766,000
10	501(c)(3) Not-for-Profit	147,180,000
1	MultiFamily/Senior Housing	18,630,000
1	Healthcare - Community Provider	12,700,000
1	Freight Transfer Facilities Bonds	75,000,000
65		$ 2,493,541,272

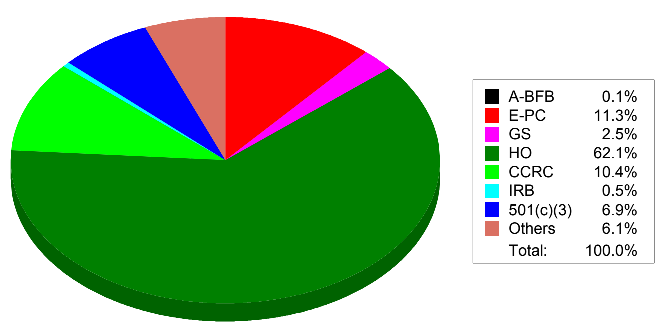
Bonds Issued in Calendar Year 2012



Calendar Year 2013

#	Market Sector	Principal Issued
10	Agriculture - Beginner Farmer	2,788,750
7	Education	228,255,000
1	Gas Supply	50,000,000
8	Healthcare - Hospital	1,250,890,000
6	Healthcare - CCRC	209,500,000
1	Industrial Revenue	10,000,000
10	501(c)(3) Not-for-Profit	138,402,750
6	Local Government	111,955,000
1	Environmental issued under 20 ILCS 3515/9	10,935,000
50		$ 2,012,726,500

Bonds Issued in Calendar Year 2013

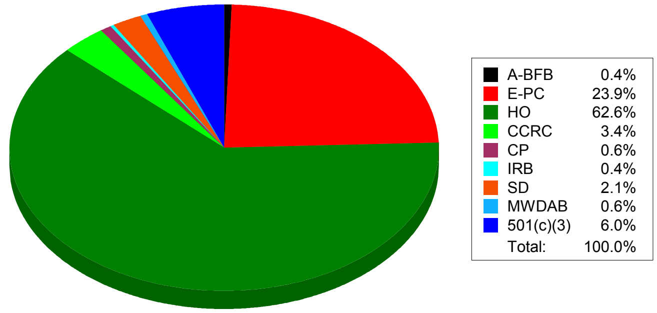


Bonds Issued - Fiscal Year Comparison
for the Period Ending October 31, 2013

Fiscal Year 2012

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

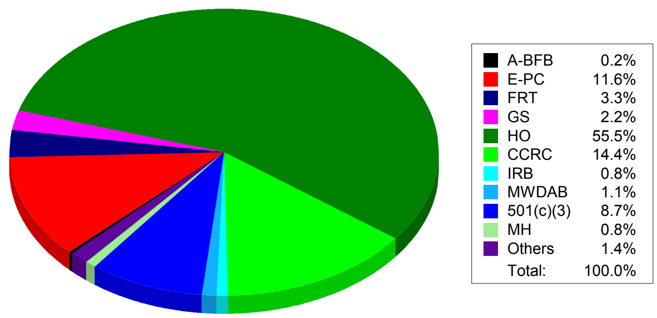
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

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

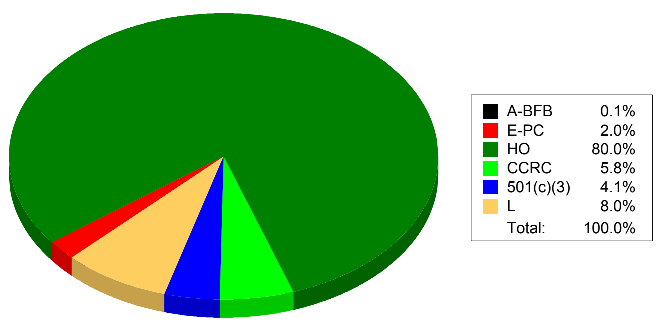
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

#	Market Sector	Principal Issued
3	Agriculture - Beginner Farmer	884,100
2	Education	24,850,000
4	Healthcare - Hospital	970,795,000
3	Healthcare - CCRC	70,160,000
3	501(c)(3) Not-for-Profit	49,750,000
4	Local Government	96,930,000
19		$1,213,369,100

Bonds Issued in Fiscal Year 2014



Bonds Issued between July 01, 2013 and October 31, 2013

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
E-PC	Concordia University	07/01/2013	Variable	17,000,000	17,000,000
L	Township High School District Number 113, Series 2013A	07/01/2013	Fixed at Schedule	41,530,000	0
HO	Rehabilitation Institute of Chicago	07/01/2013	Fixed at Schedule	398,000,000	90,000,000
A-BFB	Beginner Farmer Bonds	07/01/2013	various	884,100	0
501(c)(3)	Lake Forest Country Day School	08/01/2013	Variable	23,000,000	23,000,000
HO	Advocate Health Care Network	08/01/2013	Fixed at Schedule	96,905,000	0
CCRC	Illinois College of Optometry	08/01/2013	Variable	40,665,000	40,152,503
L	Township High School District Number 113, Series 2013 B	08/21/2013	Fixed at Schedule	8,470,000	0
L	East Richland C.U.S.D. #1	08/29/2013	Fixed at Schedule	20,140,000	20,280,291
501(c)(3)	YMCA of Rock River Valley	09/01/2013	Variable	6,750,000	0
HO	Presence Health Network	09/15/2013	Variable	366,865,000	366,865,000
L	Community College District No. 532	09/27/2013	Fixed at Schedule	26,790,000	0
CCRC	Westminster Village	10/01/2013	Variable	7,000,000	0
501(c)(3)	Noble Network of Charter School	10/24/2013	Fixed at Schedule	20,000,000	0
CCRC	Peace Village	10/29/2013	Fixed at Schedule	22,495,000	16,225,000
E-PC	Columbia College Chicago	10/30/2013	Variable	7,850,000	7,695,000
HO	Elmhurst Memorial Healthcare	10/31/2013	Fixed at Schedule	109,025,000	126,760,629
		Total Bonds Issued as of October 31, 2013		**$ 1,213,369,100**	**$ 707,978,423**

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

Beginner Farmer Bonds Funded between July 01, 2013 and October 31, 2013

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Scrivner, Wade David Hugh	07/10/2013	3.80%	440,000	164.63	Jefferson
Haile, Joshua R	10/07/2013	3.00	195,000	123.00	Jefferson
Lynch, Derek C. and Lynch, Jonna V.	10/25/2013	3.50	249,100	55.00	Edwards
	Total Beginner Farmer Bonds Issued		**$ 884,100**	**342.63**	

ref: T:\Bond Reports\Bond Issued Reports\Bonds Issued by Fiscal Year-Board Book-Activity Report.rpt

COMMITTEE MINUTES

ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
TUESDAY, OCTOBER 8, 2013
9:39 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the "Committee" or "COW"), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of October 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 not been constituted as Member Poole was participating via audio conference.

Having been absent when the Quorum Roll Call for Attendance was taken, Dr. Barclay was recorded as present at the time of 9:43 a.m. 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

October 8, 2013

0 YEAS 0 NAYS 9 PRESENT

P	Barclay (ADDED)	P	Knox	E	Pedersen
P	Bronner	E	Leonard	P	Poole (VIA AUDIO CONFERENCE)
E	Fuentes	E	Lonstein	P	Tessler
P	Goetz	E	O'Brien	E	Zeller
P	Gold	P	Parish	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

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

Due to the robust agenda, Chairman Brandt stated that regular meeting of the COW would need to begin without a quorum.

III. Message from the Executive Director

Executive Director Meister reported that the Authority, along with its partner IEPA, led by Director Lisa Bonnett, is proud to help Governor Quinn present the first financing under Governor Quinn's Clean Water Initiative for the Board's consideration. Under this program, the Authority will renew and modernize its longstanding partnership with the Illinois Environmental Protection Agency to dramatically increase the availability of lowest possible cost financing to Illinois local governments for state-of-the-art drinking water and sewer projects. Over time, this important public infrastructure finance program will do three things:

- Save local taxpayers' money;
- Create an estimated 28,000 jobs – both permanent jobs and unionized construction jobs; and
- Ensure access to clean, safe drinking water to the citizens of Illinois. In a global economy with increasingly constrained natural resources, virtually unlimited access to clean, safe, fresh water is a major economic competitive advantage for our State.

Executive Director Meister reported that Ms. Lenane, Acting General Counsel, would be unavailable for today's meetings.

Executive Director Meister informed Members that copies of their Public Officials Liability/Employment Practices Liability coverage policies have been distributed for their review.

Executive Director Meister reported that he will be the Co-Chairman of the Finance Committee for the Illinois Route 53/120 Extension and the Illiana Expressway Advisory Council.

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 September 10, 2013 or any errors in the Minutes of the regular meeting of the Board held on September 10, 2013.

Vice Chairman Goetz moved for the adoption of the Minutes of the regular meeting of the Committee held on September 10, 2013.

Member Knox seconded the motion.

The motion prevailed and the Minutes were adopted.

V. Presentation and Consideration of the Financial Statements

Mr. Anosike explained that the Illinois Finance Authority ("IFA") ended the first quarter of Fiscal Year 2014 with a $246,545 Operating Net Income. IFA's Total Operating Revenue for the quarter is $1,071,134.

Revenue

Total Revenue for September 2013 is $425,782; which is $64,952 or 18.0% better than budget. The key driver for September revenues was Annual Loan Fees; reflecting both the receipt and accrual of outstanding fees due to the Authority.

The Authority closed three (3) transactions in September resulting in Administration and Closing Fee of $315,501.

Compared to prior year, Total Revenue is lower in September 2013 by $432,092 or 50.4% due to higher transaction volume and revenues during the same period in 2012.

Expenses

Total Expenses for September 2013 is $292,080; which is 13.7% or $46,363 favorable to budget. The primary drivers for September's better than budget performance are lower employee and professional services costs; reflecting IFA's continuing efforts to control expenses.

On a prior year basis, Total Expenses is lower compared to September 2012 by $44,559 or 13.2%. For the quarter, Total Expenses is down by $81,121 or 9.0%.

Net Income

Net Income for September 2013 is $133,702; which is $111,315 better than budget. For the quarter, Net Income is $246,545 or $179,384 better than budget.

Other Highlights

On September 17, 2013, the Authority filed a competitive application for New Market Tax Credits through its Community Development Entity ("Illinois Finance Authority Development Fund NFP") with the United States Department of Treasury, Community Development Financial Institutions Fund ("CDFI"). As discussed in prior Board meetings, New Market Tax Credits would provide the Authority with more flexible capital structures to better support economic development and job creation activities across the State. A decision by CDFI is expected in early 2014.

On September 3, 2013, the Authority executed a loan Agreement with Joliet Arsenal Development Authority ("JADA") in the amount of $175,000 as part of JADA's grant agreement with the Illinois Department of Commerce and Economic Opportunity ("DCEO"). The IFA Board authorized the loan in July 2013. Following DCEO's release of the grant funds to JADA, this loan was paid off using the Comptroller's intercept on September 11, 2013.

On September 26, 2013, Morton Community Bank requested the Authority's concurrence to restructure its loan to Roanoke Milling Co. due to continuing deterioration in the borrower's business environment. The Authority's guarantee was approved by the Board on June 5, 2012 and currently has an outstanding loan balance of $747,964. As part of the Authority's due diligence, staff contacted the lender to request additional information and to ensure that the Authority's interest and collateral position are protected as the lender works with the borrower on this issue. At this time, staff is continuing to monitor the loan and will make appropriate recommendations to the Board as more information becomes available.

Vice Chairman Goetz inquired about the expected CDFI response time for the Authority's New Market Tax Credits application. Mr. Anosike informed the Committee that decisions will be forthcoming in early spring.

Chairman Brandt informed the Committee that JADA Executive Director Richard Kwasneski wrote a very nice thank you letter for the Authority's assistance in providing a short-term loan, which was an excellent example of intergovernmental cooperation.

Member Barclay asked about the Authority's Expenses year-to-date. Specifically, Member Barclay suggested that Total Expenses appear to be under budget as a direct correlation to Professional Services being greatly under budget. Mr. Anosike confirmed that staff has been engaging in activities to limit its need for Professional Services, thereby minimizing costs.

Finally, Mr. Anosike stated that Audit Committee Chair Bronner, Director Meister and staff met with Dan Nugent and the Auditor General's Special Auditor, E. C Ortiz & Co. to review the status of the Authority's 2013 Fiscal Year audit. Overall, the Authority is cooperating fully with the audit team and continues to work to be responsive to all of the Auditor General's requests with respect to the audit.

Chairman Brandt thanked Member Bronner and the Audit Committee for their excellent work.

VI. Committee Reports

Healthcare Committee

Member Barclay reported that the Healthcare Committee reviewed and recommended approval of Items 5, 6 and 8 on today's agenda.

Infrastructure, Transportation & Energy Committee

Vice Chairman Goetz reported that the Infrastructure, Transportation & Energy Committee reviewed and recommended approval of Item 2 on today's agenda.

VII. Project Reports and Resolutions

Mr. Frampton presented the following projects and resolutions:

Business and Industry Projects

Item 1: Item 1 is a request for Industrial Revenue Bond financing.

Sterling Lumber Company and SLC – Phoenix, LLC are requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Ten Million Dollars ($10,000,000).

Bond proceeds will be used by Sterling Lumber Company, an Illinois corporation, and its affiliate SLC-Phoenix, LLC, an Illinois limited liability company (collectively, the "Borrower"), to (i) finance or refinance the acquisition of approximately 60 acres of land

and the purchase and substantial renovation, and equipping of an approximately 514,000 SF manufacturing facility located thereon at 323 E. 151st Street, Harvey (Cook County), Illinois 60426. Additionally, bond proceeds may also be used to pay bond issuance costs.

Executive Director Meister complemented Mr. Frampton and Mr. Fletcher for their outstanding work on this Industrial Revenue Bond transaction. Industrial Revenue Bond financings have remained elusive throughout the economic recession.

Executive Director Meister informed the Committee that the federal tax code is antiquated with respect to its provisions for Industrial Revenue Bonds. U.S. Senator Sherrod Brown (D-OH) and the Council of Development Finance Agencies ("CDFA") are working on a proposal to update the law.

Additionally, Mr. Frampton noted that Tony Grant, owner of Total Capital Solutions, Inc., is the Borrower's financial advisor. Total Capital Solutions, Inc. is a minority-owned firm.

Public Infrastructure Projects

Item 2: Item 2 is a request from the Illinois Environmental Protection Agency (hereinafter, the "IEPA") for approval of a Resolution authorizing the issuance of an amount not to exceed $175,000,000 in aggregate principal amount of State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013, of the Illinois Finance Authority; authorizing the sale thereof; authorizing the execution and delivery of certain documents; approving the designation of a Master Trustee; approving the distribution of a Preliminary Official Statement and an Official Statement; and related matters.

Pursuant to the Illinois EPA's request, proceeds of the Bonds will be used to (i) refund the Authority's $41,850,000 outstanding principal amount of the Series 2002 Bonds and the Authority's $57,270,000 outstanding principal amount of the Series 2004 Bonds in order to realize debt service savings and be bound by less onerous covenants than under the master trust agreement associated with the Prior Bonds, (ii) provide additional funds to be used for loans under the IEPA's State Revolving Fund Programs by funding a portion of the State Match required under the Clean Water Program and the Drinking Water Program for Federal fiscal years 2011, 2012 and 2013 (the "*Project*", which constitutes a "public purpose project" under the Illinois Finance Authority Act); and (iii) pay costs of issuance, all as permitted under the Act.

This matter is being presented for one-time consideration. The Authorizing Resolution referenced herein will be posted on IFA's website in its entirety.

Vice Chairman Goetz inquired if Co-Managers have been named for Item 2. Executive Director Meister confirmed that Loop Capital Markets LLC and Samuel A. Ramirez & Co., Inc. will be Co-Managers, while Bank of America Merrill Lynch is the Senior Manager.

Executive Director Meister stated that Item 11 is a Resolution Approving the Terms of Trustee/Custodian Services. After lengthy legal and policy discussions, it was determined that an emergency procurement for trustee services on Item 2 will be necessary.

Chairman Brandt and Executive Director Meister engaged in a discussion about the open solicitation process of the emergency procurement and why an emergency procurement was necessary at this time.

Vice Chairman Goetz asked if this matter will return to the Board for approval after the emergency procurement process is over. Chairman Brandt, Vice Chairman Goetz, Executive Director Meister and Mr. Anosike engaged in a discussion which concluded that the results of the emergency procurement should be presented to the Infrastructure, Transportation & Energy Committee.

Then, Executive Director Meister expanded upon the description provided by Mr. Frampton for the State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds. Specifically, Executive Director Meister provided details and historical context of the Memorandum of Agreement between the Authority and IEPA, to be dated as of November 1, 2013.

IEPA Executive Director Bonnet informed the Committee that a portion of IEPA's $2.38 billion loan portfolio will be pledged to secure the Bonds. IEPA currently lends funds to municipalities according to administrative rules that set the interest rate currently at a rate equal to 50% of the Bond Buyer's 20-Bond Index for the preceding year. These loans allow Illinois local governments (e.g., municipalities and public sanitary districts) to finance capital improvements designed to improve both drinking water and wastewater quality to assure compliance with USEPA requirements.

Chairman Brandt and Vice Chairman Goetz asked IEPA Executive Director Bonnett if IEPA has the ability to intercept other State monies provided to these local governments should they miss a payment. IEPA Executive Director Bonnett confirmed that IEPA does have this ability, and in fact, no unit of local government has every defaulted on its loan repayments. Moreover, if a unit of local government was having trouble making its repayments at some time in the future, the security pledged on the Bonds is such that the troubled borrower could be substituted or replaced with another unit of local government so that the pledged pool of loans securitizing the Bonds would remain stable (and keep the Triple-A rating). That is, the collateral can be readdressed and reshaped as necessary because the overall IEPA loan portfolio is so voluminous.

Next, IEPA Executive Director Bonnett thanked Governor Pat Quinn and the Illinois Finance Authority for being partners on this transaction.

Finally, Vice Chairman Goetz inquired if jobs created as a result of IEPA loans would be subject to Illinois Prevailing Wage Act. IEPA Executive Director Bonnet confirmed for the Committee that the jobs will be subject to the Illinois Prevailing Wage Act.

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

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

Columbia College Chicago is requesting approval of a Final Bond Resolution in an amount not-to-exceed Nine Million Dollars ($9,000,000).

Bond proceeds will be used by Columbia College Chicago ("Columbia", the "College", or the "Borrower") to (i) currently refund all of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the "Series 2003 Bonds") maturing on December 1 of each of the years 2014 through 2018 and a portion of the Series 2003 Bonds maturing on December 1, 2023 (collectively, the "Refunded Series 2003 Bonds"), and (iii) pay certain costs relating to the issuance of the Series 2013 Bonds, all as permitted under the Act (collectively, the "Financing Purposes").

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Benedictine University and Founders Woods, Ltd. are requesting approval of a Final Bond Resolution in an amount not-to-exceed Seventy Million Dollars ($70,000,000). This financing is being presented for one-time consideration.

Benedictine University, an Illinois not for profit corporation ("Benedictine") and Founders Woods, Ltd.., an Illinois not for profit corporation ("Founders" and together with Benedictine, collectively, the "Borrowers"), have requested that the Authority issue not to exceed aggregate total principal amount $70,000,000 (excluding original issue discount or premium, if any) of revenue bonds consisting of two or more series of Revenue Bonds (Benedictine University Project) Series 2013A (the "Series 2013A Bonds") and its Revenue Bonds (Benedictine University Project) Series 2013B (the "Series 2013B Bonds" and together with the Series 2013A Bonds, the "Series 2013 Bonds") and loan the proceeds thereof to the Borrowers in order to assist the Borrowers in providing a portion of the funds necessary to do any or all of the following: (i) finance the costs of the construction of a new academic building on Benedictine's main campus located at 5700 College Road, Lisle, Illinois (the "Project"), (ii) refund the following bonds: (a) County of DuPage, Illinois, Variable Rate Demand Revenue Bonds (Benedictine University Building Project) Series 1999 (the "1999 Bonds, (b) Illinois Finance Authority (successor to Illinois Educational Facilities Authority) Variable Rate Demand Revenue Bonds, Founders Woods, Ltd. – Benedictine University Project, Series 2000 (the "2000 Bonds"), and (c) County of DuPage, Illinois, Educational Facility Revenue Bonds (Benedictine University Project) Recovery Zone – Series 2010A (the "2010A Bonds" and together with the 1999 Bonds and the 2000 Bonds, collectively the "Refunded Bonds"); (iii) establish a debt service reserve fund for the benefit of the Series 2013A Bonds, if deemed necessary or desirable; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Refunded Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

Details regarding the original use of the Refunded Bonds are identified in the Bond Resolution for this Project and in excerpts from the IFA Board Summary report that are posted online on IFA's website.

Healthcare Projects

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

Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing is requesting approval of a Final Bond Resolution in an amount not-to-exceed Forty-Five Million Dollars ($45,000,000).

The proceeds will be used by Washington and Jane Smith Community – Orland Park, d/b/a/ Smith Crossing (the "Corporation" or the "Borrower") 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 Act) for the Borrower's senior living community located in Orland Park, Illinois; (ii) refund all or a portion of the $20,110,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003A (Smith Crossing Project) (the "*Series 2003A Bonds*"); (iii) refund all or a portion of the $4,250,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003B-2 (Smith Crossing Project) Extendable Rate Adjustable Securities (EXTRAS^{SM}) (the "*Series*

2003B-2 Bonds" and, together with the Series 2003A Bonds, the "*Prior Bonds*"); (iv) refinance all or a portion of a construction loan, the proceeds of which were used by the Borrower for the payment of the costs of the acquisition, construction, renovation, remodeling and equipping of approximately 76 independent living units and 30 assisted living units, the conversion of approximately 16 assisted living units to skilled nursing units and the renovation, remodeling and equipping of certain other portions of the Borrower's existing campus, all located in Orland Park, Illinois (the "Construction Loan"); (v) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; (vi) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vii) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; and (viii) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds and the refinancing of the Construction Loan, all as permitted by the Act (collectively, the "*Financing Purposes*").

Item 6: Item 6 is a request for 501(c)(3) Revenue Bond financing.

Westminster Village, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed Seven Million Dollars ($7,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by Westminster Village, Inc. (the "Corporation" or the "Borrower") to (i) pay or reimburse the costs of acquiring, constructing, renovating, remodeling and equipping the Corporation's existing facilities located at 2025 East Lincoln Street in Bloomington, Illinois (collectively, the "Project"), and (ii) pay certain costs related to the issuance of the Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

Resolutions

Item 7: Item 7 is a Resolution Providing for the Issuance of Not-To-Exceed $15,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Elim Christian Services Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters.

Item 8: Item 8 is a Resolution Authorizing the Issuance of Not-To-Exceed $140,000,000 in Aggregate Principal Amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2013 (Elmhurst Memorial Healthcare), the Proceeds of Which are to be Loaned to Elmhurst Memorial Healthcare.

Mr. Frampton noted that the underwriter determined there was an economic benefit by issuing these Taxable Bonds through the Illinois Finance Authority; otherwise, the Borrower could have issued the debt on its own behalf.

Chairman Brandt reminded those present that the Illinois Finance Authority operates based on income it derives through operations and not on State appropriation monies.

Item 9: Item 9 is a Resolution Authorizing Actions to Assist with Proposed Master Trust Indenture Obligation Substitution for Proctor Hospital

Mr. Anosike presented the following resolutions:

Resolutions

Item 10: Item 10 is a Resolution Approving the Terms of Various Contracts

Mr. Anosike presented for approval (i) the terms of the contract with Ziegler Lotsoff Capital Management, LLC (“Ziegler”) to structure and manage a pooled fixed income investment portfolio consistent with the Public Fund Investment Act (30 ILCS 235) and the Authority’s Investment Policy Statement (the “Ziegler Contract”) and (ii) the terms of the contract with Fifth Third Asset Management, Inc. (“Fifth Third”) to structure and manage a pooled fixed income investment portfolio consistent with the Public Fund Investment Act (30 ILCS 235) and the Authority’s Investment Policy Statement (the “Fifth Third Contract”).

Item 11: Item 11 is a Resolution Approving the Terms of Trustee/Custodian Services

Chairman Brandt requested that Item 11 be amended to incorporate the need for the emergency procurement to be presented to the Infrastructure, Transportation & Energy Committee after staff approval.

Item 11 was amended accordingly.

Chairman Brandt, Member Knox and IEPA Executive Director Bonnett engaged in a discussion about the reasoning for this emergency procurement. Specifically, IEPA Executive Director Bonnett informed the Committee that unlike traditional Trustee Services, a need also developed for Custodian Services as part of the Clean Water Initiative because some units of local government have multiple loans with IEPA. Accordingly, a unit of local government may be making loan repayments to service debt on the Bonds while its other loan repayments will not be collateral securitizing the Bonds (and thus will simply be deposited with the State of Illinois Treasurer). This distinction created the need for an emergency procurement. Otherwise, traditional Trustee Services provided on conduit IFA transactions do not need to be procured according to State of Illinois Chief Procurement Officer.

VIII. Other Business

None.

IX. Public Comment

None.

X. Adjournment

At the time of 10:36 a.m., Member Bronner moved that the Committee do now adjourn until November 14, 2013, at 9:30 a.m.

Vice Chairman Goetz seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

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

BOARD MINUTES

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, OCTOBER 8, 2013
10:43 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the "Board"), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of October 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 will be 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 has been constituted.

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

October 8, 2013

0 YEAS 0 NAYS 9 PRESENT

P	Barclay	P	Knox	E	Pedersen
P	Bronner	E	Leonard	P	Poole (VIA AUDIO CONFERENCE)
E	Fuentes	E	Lonstein	P	Tessler
P	Goetz	E	O'Brien	E	Zeller
P	Gold	P	Parish	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

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

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on October 8, 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 September 10, 2013 and the Financial Statements for the Month Ended September 30, 2013 were taken up for consideration.

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

Member Knox seconded the motion.

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

The motion prevailed and the Minutes and the Financial Statements were adopted.

IV. Acceptance of the Financial Statements

See Agenda Item III.

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:

Business and Industry Projects

Item 1: Item 1 is a request for Industrial Revenue Bond financing.

Sterling Lumber Company and SLC – Phoenix, LLC are requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Ten Million Dollars** ($10,000,000).

Bond proceeds will be used by Sterling Lumber Company, an Illinois corporation, and its affiliate SLC-Phoenix, LLC, an Illinois limited liability company (collectively, the "**Borrower**"), to (i) finance or refinance the acquisition of approximately 60 acres of land and the purchase and substantial renovation, and equipping of an approximately 514,000 SF manufacturing facility located thereon at 323 E. 151st Street, Harvey (Cook County), Illinois 60426. Additionally, bond proceeds may also be used to pay bond issuance costs.

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

Member Knox seconded the motion.

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

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

Columbia College Chicago is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Nine Million Dollars** ($9,000,000).

Bond proceeds will be used by Columbia College Chicago ("**Columbia**", the "**College**", or the "**Borrower**") to (i) currently refund all of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the "**Series 2003 Bonds**") maturing on December 1 of each of the years 2014 through 2018 and a portion of the Series 2003 Bonds maturing on December 1, 2023 (collectively, the "**Refunded Series 2003 Bonds**"), and (iii) pay certain costs relating to the issuance of the Series 2013 Bonds, all as permitted under the Act (collectively, the "**Financing Purposes**").

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Benedictine University and Founders Woods, Ltd. are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Seventy Million Dollars** ($70,000,000). This financing is being presented for one-time consideration.

Benedictine University, an Illinois not for profit corporation ("**Benedictine**") and **Founders Woods, Ltd..**, an Illinois not for profit corporation ("**Founders**" and together with Benedictine, collectively, the "**Borrowers**"), have requested that the Authority issue not to exceed aggregate total principal amount $70,000,000 (excluding original issue discount or premium, if any) of revenue bonds consisting of two or more series of Revenue Bonds (Benedictine University Project) Series 2013A (the "**Series 2013A Bonds**") and its Revenue Bonds (Benedictine University Project) Series 2013B (the "**Series 2013B Bonds**" and together with the Series 2013A Bonds, the "**Series 2013 Bonds**") and loan the proceeds thereof to the Borrowers in order to assist the Borrowers in providing a portion of the funds necessary to do any or all of the following: (i) finance the costs of the construction of a new academic building on Benedictine's main campus located at 5700 College Road, Lisle, Illinois (the "**Project**"), (ii) refund the following bonds: (a) County of DuPage, Illinois, Variable Rate Demand Revenue Bonds (Benedictine University Building Project) Series 1999 (the "**1999 Bonds**, (b) Illinois Finance Authority (successor to Illinois Educational Facilities Authority) Variable Rate Demand Revenue Bonds, Founders Woods, Ltd. – Benedictine University Project, Series 2000 (the "**2000 Bonds**"), and (c) County of DuPage, Illinois, Educational Facility Revenue Bonds (Benedictine University Project) Recovery Zone – Series 2010A (the "**2010A Bonds**" and together with the 1999 Bonds and the 2000 Bonds, collectively the "**Refunded Bonds**"); (iii) establish a debt service reserve fund for the benefit of the Series 2013A Bonds, if deemed necessary or desirable; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Refunded Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Details regarding the original use of the Refunded Bonds are identified in the Bond Resolution for this Project and in excerpts from the IFA Board Summary report that are posted online on IFA's website.

Healthcare Projects

Item 6: Item 6 is a request for 501(c)(3) Revenue Bond financing.

Westminster Village, Inc. is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Seven Million Dollars** ($7,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Westminster Village, Inc. (**the **"Corporation"** or the "**Borrower")** to (i) pay or reimburse the costs of acquiring, constructing, renovating, remodeling and equipping the Corporation's existing facilities located at 2025 East Lincoln Street in Bloomington, Illinois (collectively, the "**Project**"), and (ii) pay certain costs related to the issuance of the Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects: Items 3, 4, and 6.

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 Providing for the Issuance of Not-To-Exceed $15,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Elim Christian Services Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters.

Item 8: Item 8 is a Resolution Authorizing the Issuance of Not-To-Exceed $140,000,000 in Aggregate Principal Amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2013 (Elmhurst Memorial Healthcare), the Proceeds of Which are to be Loaned to Elmhurst Memorial Healthcare.

Item 9: Item 9 is a Resolution Authorizing Actions to Assist with Proposed Master Trust Indenture Obligation Substitution for Proctor Hospital

Item 10: Item 10 is a Resolution Approving the Terms of Various Contracts

Item 11: Item 11 is a Resolution Approving the Terms of Trustee/Custodian Services

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following resolutions: Items 7, 8, 9, 10 and 11.

Leave was granted.

These 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 with expected guests to the Board.

Mr. Frampton presented the following projects:

Public Infrastructure Projects

Item 2: Item 2 is a request from the **Illinois Environmental Protection Agency** (hereinafter, the "**IEPA**") for approval of a Resolution authorizing the issuance of an amount not to exceed $175,000,000 in aggregate principal amount of State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013, of the Illinois Finance Authority; authorizing the sale thereof; authorizing the execution and delivery of certain documents; approving the designation of a Master Trustee; approving the distribution of a Preliminary Official Statement and an Official Statement; and related matters.

Pursuant to the Illinois EPA's request, proceeds of the Bonds will be used to (i) refund the Authority's $41,850,000 outstanding principal amount of the Series 2002 Bonds and the Authority's $57,270,000 outstanding principal amount of the Series 2004 Bonds in order to realize debt service savings and be bound by less onerous covenants than under the master trust agreement associated with the Prior Bonds, (ii) provide additional funds to be used for loans under the IEPA's State Revolving Fund Programs by funding a portion of the State Match required under the Clean Water Program and the Drinking Water Program for Federal fiscal years 2011, 2012 and 2013 (the "*Project*", which constitutes a "public purpose project" under the Illinois Finance Authority Act); and (iii) pay costs of issuance, all as permitted under the Act.

This matter is being presented for one-time consideration. The Authorizing Resolution referenced herein will be posted on IFA's website in its entirety.

Executive Director Meister announced that Mr. Thomas Liu, Managing Director of Bank of America Merrill Lynch, Mr. Albert R. Grace, Jr., Co-Founder and President of Loop Capital Markets LLC, and Mr. Ramon Ortega, Financial Advisor of Samuel A. Ramirez & Co., Inc., were present on behalf of the project.

Chairman Brandt announced that Ms. Lisa Bonnett, Director of the Illinois Environmental Protection Agency, was present and ready to speak on behalf of the project.

Director Bonnett thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Director Bonnett.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following project: Item 2.

Leave was granted.

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

Healthcare Projects

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

Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Forty-Five Million Dollars** ($45,000,000).

The proceeds will be used by **Washington and Jane Smith Community – Orland Park, d/b/a/ Smith Crossing** (the "**Corporation**" or the "**Borrower**") 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 Act) for the Borrower’s senior living community located in Orland Park, Illinois; (ii) refund all or a portion of the \$20,110,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003A (Smith Crossing Project) (the “***Series 2003A Bonds***”); (iii) refund all or a portion of the \$4,250,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003B-2 (Smith Crossing Project) Extendable Rate Adjustable Securities (EXTRAS^{SM}) (the “***Series 2003B-2 Bonds***” and, together with the Series 2003A Bonds, the “***Prior Bonds***”); (iv) refinance all or a portion of a construction loan, the proceeds of which were used by the Borrower for the payment of the costs of the acquisition, construction, renovation, remodeling and equipping of approximately 76 independent living units and 30 assisted living units, the conversion of approximately 16 assisted living units to skilled nursing units and the renovation, remodeling and equipping of certain other portions of the Borrower’s existing campus, all located in Orland Park, Illinois (the “Construction Loan”); (v) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; (vi) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vii) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; and (viii) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds and the refinancing of the Construction Loan, all as permitted by the Act (collectively, the “***Financing Purposes***”).

Chairman Brandt announced that Mr. Ray Marneris, Chief Financial Officer of Smith Senior Living, was present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Marneris.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following project: Item 5.

Leave was granted.

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

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the regular meeting of the Board in November will be held on November 14, 2013.

At the time of 11:01 a.m., Vice Chairman Goetz moved that the Board do now adjourn until November 14, 2013, at 10:30 a.m.

Member Knox seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

ILLINOIS FINANCE AUTHORITY

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Financial Analysis

October 31, 2013

Revenue

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.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF ACTIVITIES FOR THE GENERAL FUND
FOR PERIOD ENDING OCTOBER 31, 2013

	CURRENT MONTH					YEAR TO DATE				
	Actual	Variance to Budget		Variance to Prior Year		Actual	Variance to Budget		Variance to Prior Year	
	$	$	%	$	%	$	$	%	$	%
REVENUE										
INTEREST ON LOANS	10,262	(3,167)	-23.6%	(10,308)	-50.1%	47,855	(5,861)	-10.9%	(35,879)	-42.8%
INVESTMENT INTEREST &	2,172	(14,495)	-87.0%	(3,807)	-63.7%	6,141	(60,527)	-90.8%	(12,589)	-67.2%
ADMINISTRATIONS & APPLICATION	273,080	(23,522)	-7.9%	(176,829)	-39.3%	1,168,124	(86,393)	-6.9%	(507,054)	-30.3%
ANNUAL ISSUANCE & LOAN FEES	23,055	16,926	276.2%	(5,572)	-19.5%	137,915	113,399	462.6%	21,267	18.2%
OTHER INCOME	23,581	18,281	344.9%	18,232	340.8%	43,348	22,148	104.5%	(191,621)	-81.6%
TOTAL REVENUE	332,150	(5,977)	-1.8%	(178,285)	-34.9%	1,403,384	(17,233)	-1.2%	(725,876)	-34.1%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	125,187	(17,394)	-12.2%	15,319	13.9%	517,352	(52,972)	-9.3%	72,418	16.3%
BENEFITS	12,304	(10,407)	-45.8%	(7,316)	-37.3%	64,102	(26,742)	-29.4%	(14,849)	-18.8%
EDUCATION & DEVELOPMENT	-	(500)	-100.0%	(445)	-100.0%	4,002	2,002	100.1%	3,407	572.5%
TRAVEL & AUTO	2,802	(1,781)	-38.9%	(1,863)	-39.9%	12,245	(6,087)	-33.2%	(2,638)	-17.7%
TOTAL EMPLOYEE RELATED	140,293	(30,082)	-17.7%	5,694	4.2%	597,700	(83,801)	-12.3%	58,338	10.8%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	82,339	40,672	97.6%	44,385	116.9%	137,449	(29,220)	-17.5%	(14,110)	-9.3%
LOAN EXPENSE & BANK FEE	7,273	(1,061)	-12.7%	(49)	-0.7%	30,267	(3,069)	-9.2%	(2,463)	-7.5%
ACCOUNTING & AUDITING	19,414	(6,420)	-24.9%	(7,092)	-26.8%	81,607	(21,729)	-21.0%	(27,848)	-25.4%
MARKETING GENERAL	415	(418)	-50.2%	344	485.7%	1,542	(1,790)	-53.7%	(635)	-29.2%
FINANCIAL ADVISORY	11,250	2,917	35.0%	2,917	35.0%	46,140	12,808	38.4%	12,808	38.4%
CONFERENCE/TRAINING	1,075	(1,008)	-48.4%	672	166.9%	3,460	(4,872)	-58.5%	(2,538)	-42.3%
MISCELLANEOUS PROFESSIONAL	2,235	(4,432)	-66.5%	(4,015)	-64.2%	8,194	(18,474)	-69.3%	(28,406)	-77.6%
DATA PROCESSING	5,903	(8,264)	-58.3%	(9,942)	-62.7%	21,635	(35,033)	-61.8%	(44,406)	-67.2%
TOTAL PROFESSIONAL SERVICES	129,904	21,986	20.4%	27,220	26.5%	330,294	(101,378)	-23.5%	(107,598)	-24.6%
OCCUPANCY COSTS										
OFFICE RENT	21,401	(266)	-1.2%	(591)	-2.7%	85,108	(1,560)	-1.8%	(1,053)	-1.2%
EQUIPMENT RENTAL & PURCH	1,744	494	39.5%	699	66.9%	4,256	(744)	-14.9%	(427)	-9.1%
TELECOMMUNICATIONS	2,744	(173)	-5.9%	(304)	-10.0%	10,919	(749)	-6.4%	857	8.5%
UTILITIES	1,243	243	24.3%	35	2.9%	3,360	(640)	-16.0%	(689)	-17.0%
DEPRECIATION	3,737	(55)	-1.4%	116	3.2%	14,949	(219)	-1.4%	392	2.7%
INSURANCE	505	(1,578)	-75.7%	(1,445)	-74.1%	2,019	(6,313)	-75.8%	(5,782)	-74.1%
TOTAL OCCUPANCY COSTS	31,374	(1,335)	-4.1%	(1,490)	-4.5%	120,611	(10,225)	-7.8%	(6,701)	-5.3%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,456	473	15.9%	(1,772)	-33.9%	10,725	(1,207)	-10.1%	(2,371)	-18.1%
BOARD MEETING - EXPENSES	2,935	435	17.4%	788	36.7%	8,382	(1,618)	-16.2%	(589)	-6.6%
PRINTING	581	(86)	-12.9%	41	7.6%	1,901	(767)	-28.8%	(269)	-12.4%
POSTAGE & FREIGHT	900	(350)	-28.0%	(603)	-40.1%	3,591	(1,409)	-28.2%	(2,590)	-41.9%
MEMBERSHIP, DUES &	2,840	340	13.6%	1,840	184.0%	6,121	(3,879)	-38.8%	3,244	112.7%
PUBLICATIONS	189	(19)	-9.0%	17	9.9%	243	(589)	-70.8%	(151)	-38.3%
OFFICERS & DIRECTORS INSURANCE	19,612	2,279	13.1%	3,070	18.6%	77,104	7,772	11.2%	12,371	19.1%
TOTAL GENERAL & ADMINISTRATION EXPENSES	30,513	3,072	11.2%	3,381	12.5%	108,068	(1,696)	-1.5%	9,644	9.8%
LOAN LOSS PROVISION/BAD DEBT	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
OTHER	-	-	0.0%	-	0.0%	-	-	0.0%	-	-
TOTAL EXPENSES	332,084	(6,359)	-1.9%	34,805	11.7%	1,156,672	(197,100)	-14.6%	(46,317)	-3.9%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	66	382	-121.0%	(213,090)	-100.0%	246,712	179,867	269.1%	(679,559)	-73.4%
TRANSFERS	-	-	0.0%	-	0.0%	-	-	0.0%	(317,153)	-100.0%
NET INCOME/(LOSS)	66	382	-121.0%	(213,090)	-100.0%	246,712	179,867	269.1%	(996,712)	-80.2%

Illinois Finance Authority
General Fund
Balance Sheet [unaudited]
For the Month Ended October 31, 2013

	October 2013	October 2012
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 45,342,417	$ 42,278,587
RECEIVABLES, NET	202,833	156,337
LOAN RECEIVABLE, NET	3,505,491	6,135,661
OTHER RECEIVABLES	21,516	62,953
PREPAID EXPENSES	194,969	194,422
TOTAL CURRENT ASSETS	49,267,226	48,827,960
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	101,673	93,776
DEFERRED ISSUANCE COSTS	197,361	232,253
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	875,640	875,249
OTHER	795	(2,771)
TOTAL OTHER ASSETS	876,435	872,478
TOTAL ASSETS	$ 50,442,695	$ 50,026,467
LIABILITIES		
CURRENT LIABILITIES	$ 595,501	$ 716,269
LONG-TERM LIABILITIES	288,812	343,178
TOTAL LIABILITIES	884,313	1,059,447
EQUITY		
CONTRIBUTED CAPITAL	4,111,479	4,111,479
RETAINED EARNINGS	33,228,893	31,640,819
NET INCOME / (LOSS)	246,712	1,243,424
RESERVED/RESTRICTED FUND BALANCE	1,732,164	1,732,164
UNRESERVED FUND BALANCE	10,239,134	10,239,134
TOTAL EQUITY	49,558,382	48,967,020
TOTAL LIABILITIES & EQUITY	$ 50,442,695	$ 50,026,467

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher

Date: November 14, 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: $1,310,383**
- **Calendar Year Summary:** (as of November 14, 2013)
  - Volume Cap: $12,000,000
  - Volume Cap Committed: $4,099,133
  - Volume Cap Remaining: $7,900,867
  - Average Farm Acreage: 51
  - Number of Farms Financed: 16
- **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-8650**
Borrower(s):	**Ferguson, Austin D. & Kim A.**
Borrower Benefit:	First Time Land Buyer
Town:	Willow Hill, IL
IFA Bond Amount:	**$153,000**
Use of Funds:	Farmland – 51 acres of farmland
Purchase Price:	$306,000 / ($6,000 per ac)
%Borrower Equity	0%
% USDA Farm Service Agency	50% *(Subordinate Financing)*
%IFA	50%
Township:	Crooked Creek
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.

B. Project Number:	**A-FB-TE-CD-8651**
Borrower(s):	**Vaughn, Tyler Ethan Ory**
Borrower Benefit:	First Time Land Buyer
Town:	Fairfield, IL
IFA Bond Amount:	**$160,000**
Use of Funds:	Farmland – 80 acres of farmland
Purchase Price:	$320,000 / ($4,000 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	Big Mound
Counties/Regions:	Wayne / Southern
Lender/Bond Purchaser	Fairfield National Bank / Heath Houchin
Legislative Districts:	Congressional: 15
	State Senate: 55
	State House: 109

Principal and interest shall be paid annually in twenty equal installments of $9,535.72 each, pursuant to a thirty year amortization schedule, with the first payment date to be one year from the date hereof and successive payment dates to be at one year intervals thereafter, with the twentieth and final payment of all principal and interest then outstanding due twenty years from the date hereof.

C. Project Number:	**A-FB-TE-CD-8652**
Borrower(s):	**Robbins, Curt W. & Stacey R.**
Borrower Benefit:	First Time Land Buyer
Town:	Fairfield, IL
IFA Bond Amount:	**$250,000**
Use of Funds:	Farmland – 400 acres of farmland
Purchase Price:	$500,000 / ($1,250 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	Jasper
Counties/Regions:	Wayne / Southern
Lender/Bond Purchaser	Fairfield National Bank / David Kinney
Legislative Districts:	Congressional: 15
	State Senate: 55
	State House: 109

Principal and Interest shall be paid annually in twenty-nine equal installments of $16,250.36 each, with the first principal and interest payment date to be February 1, 2015, and successive principal and interest payment dates to be at one year intervals thereafter, with the thirtieth and final payment of all principal and interest then outstanding due February 1, 2043. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be February 1, 2014 and successive interest payment dates to be at one year intervals thereafter, with the thirtieth and final payment of all interest then outstanding due February 1, 2043.

D. Project Number:	**A-FB-TE-CD-8654**
Borrower(s):	**McFarland, Gregory S. & Shyannon R.**
Borrower Benefit:	First Time Land Buyer
Town:	Thompsonville, IL
IFA Bond Amount:	**$215,600**
Use of Funds:	Farmland – 98 acres of farmland
Purchase Price:	$215,600 / ($2,200 per ac)
%Borrower Equity	0%
%Other	0%
%IFA	100%
Township:	Flannigan
Counties/Regions:	Hamilton / Southern
Lender/Bond Purchaser	Peoples National Bank / Terry Drone
Legislative Districts:	Congressional: 12
	State Senate: 59
	State House: 117

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

E. Project Number:	**A-FB-TE-CD-8658**
Borrower(s):	**Muchow, Mason T.**
Borrower Benefit:	First Time Land Buyer
Town:	Altamont, IL
IFA Bond Amount:	**$246,783**
Use of Funds:	Farmland – 41.15 acres of farmland
Purchase Price:	$259,245 / ($6,323 per ac)
%Borrower Equity	5%
%Other	0%
%IFA	95%
Township:	West
Counties/Regions:	Effingham / Southeastern
Lender/Bond Purchaser	First Mid Illinois Bank & Trust / Doug Kopplin
Legislative Districts:	Congressional: 15 State Senate: 54 State House: 107

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on November 1, 2014. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on November 1, 2014 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

F. Project Number:	**A-FB-TE-CD-8659**
Borrower(s):	**Heiden, Cody**
Borrower Benefit:	First Time Land Buyer
Town:	Altamont, IL
IFA Bond Amount:	**$285,000**
Use of Funds:	Farmland – 40 acres of farmland
Purchase Price:	$300,000 / ($7,125 per ac)
%Borrower Equity	5%
%Other	0%
%IFA	95%
Township:	Wheatland
Counties/Regions:	Fayette / Southeastern
Lender/Bond Purchaser	First Mid Illinois Bank & Trust / Doug Kopplin
Legislative Districts:	Congressional: 15 State Senate: 54 State House: 107

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on November 1, 2014. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on November 1, 2014 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

NON-CONDUIT

November 14, 2013

$193,000
Tyler and Candace J. Overton
YOUNG FARMER GUARANTEE

REQUEST	**Purpose:** Provide 85% loan guarantee in favor of the First Mid-Illinois Bank & Trust provide permanent financing for the purchase of 34 acres of farm land. **Project Description:** The proposed loan of $193,000 will be secured by a first mortgage on the 34 acres purchased. **Program:** Product Type: Young Farmer Guarantee **State Treasurer's Funds at Risk:** $164,050 **Conditions:** Subject to all bank conditions
BOARD ACTIONS	Final Approval Voting Record: None prior
JOB DATA	N/A Current jobs N/A New jobs projected N/A Retained jobs N/A Construction jobs projected
BORROWER DESCRIPTION	● **Type of entity:** Sole-Proprietorship ● **Location:** Mattoon / Coles/ Southeastern Region ● **When was it established:** 2006 ● **What does the entity do:** Grain farm ● **Who does the entity serve:** N/A ● **What will new project facilitate:** Purchase 34 acres of farm land
PROPOSED STRUCTURE	**Originating Bank:** First Mid-Illinois Bank & Trust **Collateral:** 34 Acres **Collateral Position:** 1st Corporate Guarantor: N/A **Personal Guarantor:** (Borrowers are signing note) **Maturity:** 15 Years **Interest Rate:** 3.75% Adjusted every 5 years
SOURCES AND USES	See below
RECOMMENDATION	Credit Review Committee Recommends approval

Sources:		**Uses:**	
IFA Guarantee	$193,000	Land Purchase	$340,000
FSA – Subord. Loan	130,000		
Borrower Equity	17,000		
Total	**$340,000**	**Total**	**$340,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 14, 2013

Project: Tyler and Candace J. Overton

STATISTICS

Project Number:	A-YF-GT-8653	Amount:	$193,000
Type:	Young Farmer Guarantee	IFA Staff:	Rich Frampton & Lorrie Karcher
County/Region:	Coles / Southeastern	City:	Mattoon

BOARD ACTION

Final Resolution
State Treasurer's Reserve Funds at risk: $164,050
Credit Review Committee recommends approval

Extraordinary conditions: None
Covenants: Subject to all bank covenants

VOTING RECORD

None. This is the first time the project has been considered by the IFA Board of Directors.

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of 34 acres of farm land.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Young Farmer Guarantee Program is available to assist young farmers in accessing capital for purchases of fixed assets. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are partially backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

Current employment:	N/A	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Guar. Loan (Sr.)	$193,000	**Uses**:	Purchase Land	$340,000
	FSA (Subordinate Loan)	130,000			
	Borrower Equity	17,000			
	Total	**$340,000**	**Total**		**$340,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 34.0 acres of farm land.
Structure:	15 year term with 30 year amortization and annual payments of principal and interest.
Interest Rate:	See confidential section
Interest Mode:	Adjustable
Credit Enhancement:	IFA 85% Guarantee
Maturity:	15 years
Estimated Closing Date:	November 29, 2013

PROJECT SUMMARY

Summary:	First Mid-Illinois Bank & Trust has requested an 85% loan guarantee on a $193,000 First Mortgage Loan that will enable the Overtons to finance the acquisition of 34.0 acres of land they have crop-share leased since 2009 (and located adjacent to 45.3 acres of row crop land they currently own). This acquisition would also be funded with $130,000 subordinate 2nd Mortgage financing from Farm Service Agency and $17,000 of cash equity from the Borrowers. Tyler and Candace J. Overton recently closed on the purchase of the subject 34.0 acres of farmland with bridge financing subsequent to submitting their application to IFA.
Project Rationale:	Tyler Overton has grown up on his family farming operation and helped his father most of his life. The operation is diversified with crops and livestock. With the purchase of 34.0 additional acres of farmland, which is adjacent to a 45.3 tract they currently own, the Overtons will be able to purchase land they have crop-share leased since 2009. Due to the limited financial strength, age, and existing debt used to fund prior row crop land purchases, First Mid-Illinois Bank & Trust is requesting an 85% Young Farmer Guarantee from IFA to facilitate the proposed acquisition.
Timing:	The proposed transaction is expected to close within 45 days of approval.

BUSINESS SUMMARY

Tyler and Candace J. Overton are seeking to acquire 34.0 acres of land they have crop-share leased since 2009. The subject property is adjacent to 45.3 acres of row crop land they have owned since 2009.

The Overton's farm operation includes corn and soybean production as well as raising and finishing dairy steers. Tyler and Candace Overton own 77.3 acres in row crop production and currently rent the 34.0 acres (under a 50%-50% crop share lease) that, as proposed, would be permanently financed with the proposed IFA Young Farmer Guarantee Loan.

Additionally, Tyler is part owner of Overton Family Farms, Inc. which farms southeast of Mattoon, IL and farms land owned by Tyler's Grandfather (Gene) and Father (Larry) and other landlords.

According to the Bank, Overton Family Farms, Inc. is a very successful 3rd-generation operation in the Mattoon-area that farms approximately 2,500 acres.

Additionally, Tyler and Candace Overton finish approximately 300 head of cattle each year. All of Tyler and Candace Overton's livestock are located at (i) at their personal residence (which is located on a farm leased by Overton Family Farms, Inc. from an unrelated third-party landlord) and (ii) the primary operation of Overton Family Farms, Inc. (None of Tyler and Candace Overton's row crop land, including the 34.0 acre parcel to be permanently financed with the IFA Young Farmer Loan Guarantee, is used for finishing livestock.)

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Tyler and Candace J. Overton
Project Location:	2420 U.S. Rte. 45 Mattoon, IL 61938
Borrower:	Tyler and Candace J. Overton
Ownership:	Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	N/A		
Originating Bank:	First Mid-Illinois Bank & Trust	Mattoon	Mark Cox
Bank Counsel:	N/A		
IFA Counsel:	N/A		
IFA Advisors:	Acacia Financial Group, Inc.	Chicago	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	15
State Senate:	55
State House:	110

BACKGROUND INFORMATION

Tyler and Candace Overton have been customers of First Mid-Illinois Bank & Trust (FMIBT) since they began farming in 2006. Their operation is located just south of Mattoon, IL and they farm properties generally located south and southeast of Mattoon, IL.

The Overton's current loan request is comprised of two credit facilities to be utilized for the purchase of 34.0 acres of unimproved farmland located southeast of Mattoon, IL and north of Lerna, IL. This land lies immediately east of 45.3 acres purchased by the Overtons in 2009. FMIBT provided senior loan financing for this 45.3 acre parcel in conjunction with a subordinate (2nd mortgage) Farm Service Agency Beginning Farmer Loan. (This acquisition represented Tyler and Candace Overton's initial real estate acquisition.)

Two permanent loans will be originated to provide permanent financing for acquisition of the subject 34.0 acre farm property as described below. (Additionally, the Overtons will contribute $17,000 cash equity as reported below.)

1. The subject $193,000 senior loan to be originated by FMIBT and, as proposed, would be 85% guaranteed by the Illinois Finance Authority and secured by a First Mortgage on the subject 34.0 acre property.

2. A $130,000 subordinate loan originated by Farm Service Agency and secured by a Second Mortgage on the subject 34.0 acre property.

3. Additionally, the Borrowers (Tyler and Candace Overton) will contribute $17,000 cash, representing 5% of the acquisition cost.

Tyler and Candace Overton's farming operations includes corn and soybean production as well as raising and finishing dairy steers. They currently own 77.3 acres of row crop production and presently cash lease (i.e., via a 50%-50% cash share lease) the 34.0 acres to be purchased with the subject loans. As noted previously, the Overtons (and Tyler's brother Chris Overton) have been finishing approximately 300 head of dairy steers annually.

Additionally, Tyler Overton is a part owner of Overton Family Farms, Inc. which farms southeast of Mattoon, IL on land owned by Tyler's Grandfather (Gene) and Father (Larry). Additionally, Overton Family Farms also has operations located on leased property owned by unrelated third parties.

According to the Bank, Overton Family Farms, Inc. is a successful third-generation farming operation in the Mattoon area with approximately 2,500 acres in production. The 34.0 acres acquired to be acquired in connection with the subject financing have been farmed by Tyler and Candace under a 50%-50% crop share lease from the current owners since 2009.

According to the Bank, the Overtons have gradually and methodically expanded the scope of their operations. According to the Bank, the proposed land acquisition will allow the Overtons to expand their real estate holdings with high quality farmland purchased at a reasonable price under favorable financing terms.

The Bank has originated farm-based (business) loans to Tyler Overton since he began his farming career in 2006. Additionally, the Bank also has a business relationship with Overton Family Farms, Inc. Tyler and Candace Overton are both graduates of the Lake Land College (Mattoon) Agriculture Program.

CONDUIT

November 14, 2013

$9,000,000 (not-to-exceed amount)
Flora Community Unit School District No. 35)

REQUEST	**Purpose:** Bond proceeds will be used to fund a portion of the cost of constructing and equipping a new elementary school building that will consolidate the District's four elementary school buildings into one building. Additionally, bond proceeds may also be used to pay bond issuance costs. **Program Product Type:** Local Government Revenue Bond **IFA/State Funds at Risk:** 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	178 Current jobs; N/A New jobs projected N/A Retained jobs; 75-125 Construction jobs projected (Note: preliminary estimate)
BORROWER DESCRIPTION	● Type of Entity: Illinois Public School District ● Location: Flora, Illinois (and nearby communities in Clay, Wayne, and Marion Counties) ● Borrower's Mission: To provide public education for students in grades pre-K through 12 ● Project Impact: The project will enable Flora Community Unit School District Number 35 to consolidate four existing elementary school facilities into a single building that is expected to result in operational efficiencies and enable future growth. ● The District's voters approved a referendum to issue up to $9.5 million of General Obligation Bonds to finance construction of the new elementary school in November 2010. ● The District has also received a commitment for a state construction grant to finance a significant portion of the proposed construction costs (see preliminary Sources and Uses of Funds below).
STRUCTURE	● Underwriter: Edward Jones, St. Louis, MO ● General Obligation Bonds payable from an unlimited pledge of property tax revenues ● Maturity: Serial Bonds maturing annually from December 1, 2015 through December 1, 2033 ● Interest Rate: Fixed Rates on Serial Bonds to be determined at pricing ● Underlying Rating: The District has applied to Standard & Poor's ("S&P") for a rating on the Series 2013 Bonds. (S&P most recently affirmed the District's debt rating at "A+" with a stable outlook in March 2012.) The District has sufficient unused General Obligation debt capacity to issue the Series 2013 Bonds as proposed.
SOURCES AND USES (SUBJECT TO CHANGE)	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources and Uses (Subject to Change)

Sources:		**Uses:**	
IFA New Money Bonds	$8,715,000	New Project	$30,995,217
Illinois School Constr. Grant	22,493,512	Costs of Issuance	213,295
Total	**$31,208,512**	**Total**	**$31,208,512**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 14, 2013

Project: Flora Community Unit School District No. 35 (a/k/a Community Unit School District Number 35 - Clay, Wayne, and Marion Counties, Illinois)

STATISTICS

Project Number:	L-LG-TE-CE-8656	Amount:	$9,000,000 (*not-to-exceed amount*)
Type:	Local Government Rev. Bonds	IFA Staff:	Rich Frampton & Brad R. Fletcher
Locations:	Flora, Xenia, Rinard, and nearby unincorporated areas	Counties/Regions:	Clay, Marion, and Wayne / Southern and Southeastern Regions

BOARD ACTION

Final Bond Resolution	No IFA Funds at risk
Conduit Local Government Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

VOTING RECORD

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

PURPOSE

Bond proceeds will be used to fund a portion of the cost of constructing and equipping a new elementary school building that will consolidate the District's four elementary school buildings into a single facility. Additionally, bond proceeds may also be used to pay bond issuance costs

VOLUME CAP

No Volume Cap is required for Local Government Bond financing.

JOBS

Current employment:	178	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	75-125 (Preliminary estimate)

ESTIMATED SOUCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:	IFA New Money Bonds	$8,715,000	Uses:	New Project	$30,995,217
	Illinois School Constr. Grant:	22,493,512		Costs of Issuance	213,295
	Total	**$31,208,512**		**Total**	**$31,208,512**

FINANCING SUMMARY/STRUCTURE

Maturities: Bonds will be issued in serial maturities due annually each December 1st, beginning December 1, 2015 and continuing through December 1, 2033 (the final maturity date). The Bonds will be underwritten by Edward Jones, St. Louis, MO (the "Underwriter").

Bond Repayment Schedule: Interest on the Bonds (computed on a basis of a 360-day year of twelve 30-day months) will be payable each December 1, commencing December 1, 2015 and extending through the final maturity date (December 1, 2033).

Principal on the Bonds will be repaid in serial maturities due annually each December 1, commencing December 1, 2015 through December 1, 2033.

Payment Source: **General Obligation Bonds**
The Bonds will be issued as General Obligation Bonds payable from *ad valorem* (i.e., according to value) real estate taxes.

Security: The District's Bond Resolution provides for the levy of *ad valorem* taxes upon all taxable property located within the District unlimited as to rate or amount, in amounts sufficient to pay the interest and principal of the Bonds when due. The Bonds will constitute valid and legally binding obligations of the District, and all taxable property in the District is subject to the levy of taxes for such payment of principal and interest. The District Bond Resolution will be filed with the County Clerks of the Counties of Clay, Wayne, and Marion, Illinois (the "County Clerks") and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the District Bond Resolution.

Bond Rating: Standard & Poor's ("S&P") affirmed its long-term rating of "A+" (Stable Outlook) on the District as of March 27, 2012. The District paid off all remaining outstanding bonds in December 2012 as scheduled (and the District is currently debt-free). The District has applied to S&P for a rating on the new IFA Series 2013 Bonds and anticipates receiving a rating determination prior to the IFA Board Meeting on November 14, 2013.

Issuance Authority: The issuance of up to $9,500,000 aggregate principal amount of general obligation bonds to pay for the costs of the Project was approved by 1,507 voters of the District voting for and 1,112 voting against at the general election held on November 2, 2010.

The proposed IFA Series 2013 Bonds will use a portion ($9,000,000 is anticipated maximum issuance amount) of the District's available and unused legal debt limit of approximately $10,842,577 (i.e., 13.8% of EAV – which is the applicable debt limit for community unit school districts).

Estimated Closing Date: December 2013

PROJECT SUMMARY

(Note to Credit Review: this section may be revised further to conform to Chapman and Cutler's Bond Resolution when available)

Bond proceeds will be used to fund a portion of the cost of constructing and equipping a new elementary school building that will consolidate the District's four elementary school buildings into one building. Additionally, bond proceeds may also be used to pay bond issuance costs.

The new elementary school building will house Pre-K through fifth grade and will consolidate the District's four existing elementary buildings into a single facility.

BUSINESS SUMMARY

Description: **Flora Community Unit School District Number 35, Clay, Wayne and Marion Counties, Illinois** (the "**District**") is located in south central Illinois, approximately 50 miles northeast of Mt. Vernon, Illinois and 90 miles east of St. Louis, MO.

The District is governed by an elected seven-member Board (see p. 7 for listing of Board of Education). The day-to-day affairs of the District are conducted by a full-time staff, including Superintendent Dr. Joel Hackney (since 2013) and Treasurer Larry Rinehart (since 2005).

The District encompasses an estimated 171 square mile area and serves the communities of Flora (2010 Census pop. 5,070), Xenia (2000 Census pop. 407), and Rinard (2000 Census pop. 463) as well as adjacent unincorporated areas in Clay, Wayne, and Marion Counties, Illinois (see p. 7 for map of the District's service area).

The District is primarily located in Clay County, Illinois (95.93% of the District's 2012 Equalized Assessed Valuation ("EAV")). Small portions of Wayne County (4.02% of the District's 2012 EAV) and Marion County (0.05% of the District's 2012 EAV) are located within the District's boundaries.

The highway transportation network serving the area includes U.S. Highways 45 and 50. These highways provide access to I-57 (approximately 25 miles to the west), I-70 (approximately 35 miles to the north), and I-64 (approximately 35 miles to the south). The District is located approximately 54 miles west of the Indiana border.

The District currently operates six facilities and at the start of the 2013-2014 school year served the educational needs of 1,374 students in grades K through 12.

Of the District's six facilities, the District operates four separate Pre-K-5 facilities that will be consolidated into the new, Pre-K-5 building upon completion of the proposed project.

Consolidation of the District's elementary school facilities has been planned for many years.

In addition to the proposed Local Government Revenue Bonds, the District will be financing the remaining project costs with an estimated $22.4 million State of Illinois school construction grant.

At the start of the 2013-2014 school year, the District had approximately 168 full-time employees and 10 part-time employees. Of the total number of employees, approximately 35 are represented by a union (which includes 32 teachers). Employee-union relations are considered to be good. The current teachers' contract expires on June 15, 2015.

Many trends and economic factors could affect the future operations of the District and are taken into account by the District when budgeting and planning for the long term. Additionally, there are several major challenges that the District is currently facing including declining property values, reductions in funding from the State, rising utility costs, changes in group health insurance costs, and low interest rates on cash balances.

Project Rationale & Background on State of Illinois Construction Grant: In 2003, the District received approval for a school construction grant from the State for the construction of a 57-classroom elementary school building with a total design capacity for 1,600 students (the "Project"). This new facility will house Pre-K through fifth grade and will consolidate the District's four existing elementary school buildings into a single modern facility that should lead to operational savings and provide capacity for future growth.

Under the school construction grant, the District expects to receive $22,493,512 from the State.

During construction, the anticipated drawdown of the school construction grant funds is expected to be as follows: the District will receive 45% of the grant money once contracts are awarded; an additional 45% will be received once the new school is 50% complete; and the final 10% will be released when the new school is substantially completed.

Project Timetable/ Status: The District has completed a majority of the design work for the new elementary school. As a result, the District expects to bid the project out and award contracts in the next three to four months and break ground for construction in February or March of 2014. The Districts expects to be in the new elementary school by the start of the 2015-2016 school year.

DISTRICT FACTS

Table 1: Flora C.U.S.D. Number 35 Enrollment Trends – Total Students:

Academic Year	Total Enrollment
2009-2010	1,408
2010-2011	1,434
2011-2012	1,401
2012-2013	1,364
2013-2014	1,374

The District also forecasts stable enrollment of approximately 1,400 students for the next several years.

Table 2: The Ten Largest Taxpayers in Clay County, Illinois:

The companies listed below comprise the largest taxpayers in Clay County, which comprises approximately 96% of the EAV in the District.

Taxpayer Name	2012 EAV	Percent of District's Total EAV
Union Electric Co. (Ameren)	$ 4,121,883	5.25%
North American Lighting Inc.	2,893,177	3.68%
Wal-Mart	2,080,989	2.65%
Hella North American Inc.	1,244,813	1.58%
Baltimore and Ohio Railroad (CSX)	1,135,868	1.45%
Sherwin-Williams	1,115,577	1.42%
Illinois Central Railroad Co. (Canadian National R.R.)	957,660	1.22%
DSI Flora Owner LLC	907,927	1.16%
Southwire Co.	766,002	0.97%
Petersen 26 LLC	747,295	0.95%
Total EAV of Ten Largest Taxpayers in District:	$ 15,971,191	**20.33%**

Table 3: The Largest Employers in and near the District:

The following table reports the major employers within or near the District.

Name of Employer	Product/Service	City	Approximate Number of Employees
North American Lighting, Inc.	Vehicular lighting equipment	Flora	800
Richland Memorial Hospital	Hospital	Olney	400
Hella Electronics Corp.	Relays and Industrial Controls	Flora	300
Xenia Mfg., Inc.	Engine Electrical Equipment	Xenia	190
Knapp Oil Co., Inc.	Distributor of gas, diesel fuel & Motor Oil	Xenia	185
Burgin Manor	Nursing Home	Olney	160
Sherwin-Williams Co.	Paints and Coatings	Flora	136
Southwire Co.	Aluminum & Transmission Cable	Flora	120
Silgan Plastics, LLC	Plastic Products	Flora	100
Prairie Farms Dairy, Inc.	Dairy products manufacturing	Olney	96
GSI Group, LLC	Farm Machinery & Equipment	Flora	60
Clay County Industries, Inc.	Contract Manufacturing	Flora	40

DEMOGRAPHIC INFORMATION

Table 4 - Population Growth:

The District has an estimated population of 8,470.

Entity:	1990	2000	2010	%Change 2000-2010
Flora	5,054	5,086	5,070	-0.31%
Clay County	14,460	14,560	13,815	-5.12%
State of Illinois	11,430,602	12,419,293	12,830,632	3.31%

Unemployment Rates:

Unemployment statistics are not compiled specifically for the District. According to the Illinois Department of Employment Security, Clay County posted an unemployment rate of 9.7% as of August 2013. This compares 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, the District had a median household income of $39,017. This compares with $56,576 for the State and with $38,905 for Clay County. The District's median household income is approximately 68.9% of the State's median household income.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower:	Flora Community Unit School District Number 35
Contact:	Dr. Joel Hackney, Superintendent 444 South Locust Street, Flora, IL 62839 Telephone: (618) 662-2412 E-mail: jhackney@floraschools.com
Entity:	Illinois Public School District
Board of Education/ Position/Term Expiration:	Brandon Warren, President (April 2015) Joe McCoy, Vice President (April 2015) Tisha Kitley, Secretary (April 2015) Justin Cook (April 2017) Curtis Leib (April 2017) Rick Porter (April 2017) Scott Suntrup (April 2015)
Administration:	Dr. Joel Hackney, Superintendent Larry Rinehart, Treasurer

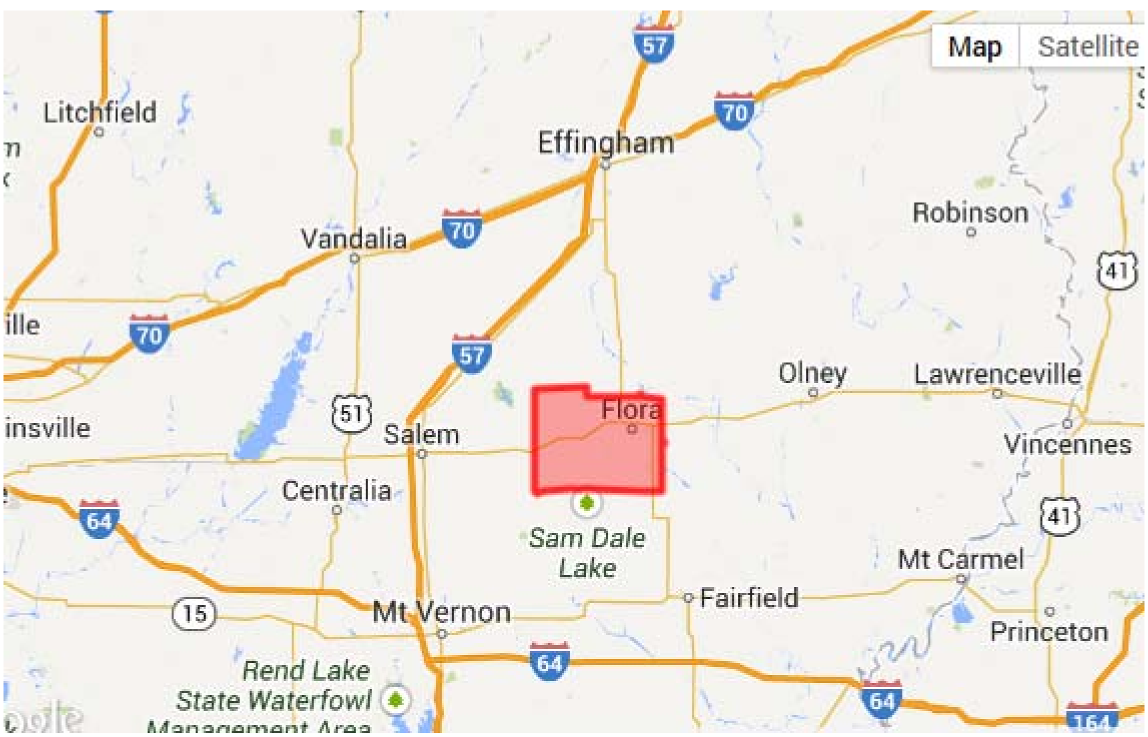
PROFESSIONAL & FINANCIAL

Auditor:	DBH & Associates, LLC	Danville, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Kelly K. Kost
Bond Underwriter:	Edward Jones	St. Louis, MO	Chris Collier
Disclosure Counsel:	Chapman and Cutler, LLP	Chicago, IL	Courtney Freveletti
Bond Registrar and Paying Agent:	UMB Bank, National Association	Kansas City, MO	Victor Zarilli
Rating Agencies:	Standard and Poor's	Chicago, IL	
Architect:	EWR Architects	Fairview Heights, IL	
Issuer's Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional:	15
State Senate:	54, 55
State House:	109

Flora Community Unit School District 35 Map



CONDUIT

$30,000,000 (not-to-exceed)
The Lincoln Park Zoological Society
(Commercial Paper Revenue Notes)

November 14, 2013

REQUEST	**Purpose**: **The Lincoln Park Zoological Society** (the "**Borrower**") desires to borrow additional Note proceeds pursuant to a pooled tax-exempt commercial paper program (the "**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 (the "Act")(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**"). **Program**: Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing) **Extraordinary Conditions**: None.
BOARD ACTION	Final Commercial Paper Revenue Note Resolution (*One-time consideration)*
MATERIAL CHANGES	None. This is the first time this matter has been presented to the IFA Board of Directors.
JOB DATA	328 Current jobs — 10 New jobs projected (1-2 years) N/A Retained jobs — 300 Construction jobs projected (12 months)
DESCRIPTION	● Location: Chicago / Cook County / Northeast ● Type of entity: The Lincoln Park Zoological Society is an Illinois not-for-profit corporation. ● The zoo was founded in 1868 when the Lincoln Park Commissioners were given a gift of a pair of swans by Central Park's Board of Commissioners in New York City. The Lincoln Park Zoological Society was incorporated in 1959 to support educational programs and connect people to nature, thereby creating a greater understanding of humanity's role in preserving and protecting the natural world. ● In 1995, the Zoological Society assumed management of the zoo from the Chicago Park District, which remains the owner through a public/private partnership. ● The only privately managed free zoo in the county, Lincoln Park Zoo relies on membership, individual, foundation and corporate support as well as earned revenue.
CREDIT INDICATORS	● As with existing borrowings, the new debt will be secured by a Direct Pay Letter of Credit provided by **Northern Trust Corporation** (the "**Credit Facility Provider**"), who administers this component for all participants in the Commercial Paper Pool. Northern Trust Corporation is currently rated Aa3/ A+ /AA- long-term and P-1/ A-1 /F1+ short-term. (Moody's/S&P/Fitch).
SECURITY	● Investors will be secured solely by the Direct Pay LOC and the CP Notes will be rated solely on that basis by S&P (Northern Trust Corporation is currently rated "A-1" by S&P.)
MATURITY	● The CP Notes will mature every 1 to 270 days and will be subject to extension based on continued availability of the Direct Pay Letter of Credit securing the CP Notes.
INTEREST RATE	● The interest rate on the CP Notes will bear an interest rate determined by the maturity (i.e., between 1 and 270 days) set by **JPMorgan Securities, LLC** (the "**Dealer**").

SOURCES AND USES

Sources:		**Uses:**	
IFA Commercial Paper	$30,000,000	New Construction	$40,345,000
Equity	11,020,000	Equipment/Furniture	600,000
		Costs of Issuance	75,000
Total	**$41,020,000**	**Total**	**$41,020,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 14, 2013

Project: The Lincoln Park Zoological Society

STATISTICS

Project Number:	N-NP-TE-CP-8655	Amount:	$30,000,000 (not-to-exceed)
Type:	Commercial Paper Revenue Notes	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final CP Revenue Note Resolution
Conduit 501(c)(3) Commercial Paper Revenue Notes — No IFA funds at risk
Credit Review Committee recommends approval — No extraordinary conditions

VOTING RECORD

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

PURPOSE

The Lincoln Park Zoological Society (the "**Borrower**") desires to borrow additional Note proceeds pursuant to a pooled tax-exempt commercial paper program (the "**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 (the "Act")(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**").

IFA PROGRAM AND CONTRIBUTION

IFA's issuance will convey federal income tax-exempt status on interest earned on the Notes paid to creditors, thereby reducing the Borrower's interest expense.

VOLUME CAP

Commercial Paper Revenue Notes do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Commercial Paper	$30,000,000	New Construction	$40,345,000
Equity	11,020,000	Equipment/Furniture	600,000
		Costs of Issuance	75,000
Total	**$41,020,000**	**Total**	**$41,020,000**

JOBS

Current employment:	328	Projected new jobs:	10 (1-2 years)
Jobs retained:	N/A	Construction jobs:	300 (12 months)

FINANCING SUMMARY

Security: The Commercial Paper Revenue Notes ("CP Notes") will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company.

Structure: The CP Notes will be sold at an interest rate that will mature between 1 and 270 days and will be subject to extension (i.e., "rollover") upon maturity for an additional term and interest rate to be determined by JPMorgan Securities, LLC (the "Dealer").

The Trust Indenture allows additional borrowers to be added to the CP Note program provided that Northern Trust Company provides a Letter of Credit commitment for each borrower.

Interest Rate: The interest rate and maturities on the CP Notes will bear an interest rate determined by the maturity (i.e., between 1 and 270 days) set by the Dealer.

Maturity: The CP Notes will mature every 1 to 270 days and will be subject to extension based on continued availability of the Direct Pay Letter of Credit securing the CP Notes.

Estimated Closing Date: It is anticipated that $15 million of CP Notes will close in November 2013 and a second tranche consisting of $15 million of CP Notes will close in November 2014.

Rationale: As a nonprofit institution, the tax-exempt commercial paper pool will be the most cost-effective and flexible financing vehicle for Lincoln Park Zoo. Additionally, the longer maturity is more compatible with the multi-year payment structure of the donor commitments supporting the zoo.

Japanese Macaque Exhibit, Polar Bear Exhibit, West Gate Expansion and Train

The new animal habitats will feature Japanese macaques and polar bears, selected for this new habitat due to their behavioral complexity and tolerance for cold weather, allowing them to be outside during all but the coldest days. Trained interpreters from the zoo's education department will narrate research and other animal activities at regular intervals throughout the day. The zoo's mission will be furthered by providing a stronger array of educational themes for visitors that the previous facility, as well as creating a ground-breaking research facility.

The new rubber-wheel train route, the Lionel Train Adventure, will roll through planted areas, over a bridge and into a simulated canyon — an improvement on the current big, open circle. A new train station will also be built, as will enhancements to the Eadie Levy Cafe (also known as Landmark) and a new ground-level public restroom.

South African Black-footed Penguin Exhibit

This expansive, open-air habitat will house approximately 20 South African Black-footed penguins, with a large pool and sandy beach. The penguins, an endangered species that lives exclusively on 24 islands along the South African coast, are a flightless bird with a streamlined body and wings that flatten into flippers for superior swimming and diving. This exhibit will connect zoo visitors with a compelling conservation story. It will include a large viewing shelter with seating and floor-to-ceiling windows, offering split-level views for guests to see the penguins both on the beach and underwater. Children can climb onto a boulder at the exhibit's south end to get a nose-to-beak look. Another feature is a private encounter area where guests can interact with and learn about penguins first-hand.

Education Center

In conjunction with the ongoing broadening of its education research and innovative programming, Lincoln Park Zoo will expand the existing Conservation and Science building into the new Education and Conservation Center. The Education Center will headquarter the Hurvis Center for Learning, Innovation and Collaboration, whose goal is exploring how successful learning happens outside of the traditional classroom format. With state-of-the-art technology and multi-media equipment, this facility will enable staff to create and evaluate new types of informal learning methods. The Education Center will offer 6,000 square feet of modern space with open work areas, a high-tech classroom, and a large atrium that can be tailored for students, educators, and researchers. It will also include an audio-visual recording studio and sound booth in which visitors and researchers can share and record their experiences.

PROJECT SUMMARY (FOR COMMERCIAL PAPER REVENUE NOTE RESOLUTION)

The Lincoln Park Zoological Society (the "**Borrower**") desires to borrow additional Note proceeds pursuant to a pooled tax-exempt commercial paper program (the "**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 Act, as more fully described in *Appendix I* hereto (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").

Description of New Zoo Projects

Project	Estimated Financed Cost	Estimated Total Cost
Macaque Exhibit	$8,000,000	$10,445,000
West Gate Entrance Expansion and Train, Train Station and Train Tracks	4,000,000	4,750,000
Polar Bear Exhibit and Holding Area	12,000,000	14,550,000
South African Penguin Exhibit	3,500,000	6,100,000
Education and Conservation Center	2,500,000	5,100,000
Total Project Costs	**$30,000,000**	**$40,945,000**

BUSINESS SUMMARY

Description: **The Lincoln Park Zoological Society**, an Illinois not-for-profit corporation ("**LPZ**", the "**Society**" or the "**Borrower**") was established in 1959 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

The Lincoln Park Zoological Society is governed by a Board of Trustees (see page 6). Additionally, the Women's Board of Lincoln Park Zoo was created and organized in 1977 to provide supportive funds and service to The Lincoln Park Zoological Society and to aid the Society in its efforts to improve Lincoln Park Zoo (see page 7).

The zoo site and buildings are owned by the Chicago Park District and are occupied by the Society without charge. Effective January 1, 1995, the Chicago Park District and the Society entered into a privatization agreement, which gives the Society complete responsibility for the financial and operational management of the zoo.

Background: Lincoln Park Zoo's mission is dedicated to connecting people with nature by providing a free, family-oriented wildlife experience in the heart of Chicago and by advancing the highest quality of animal care, education, science and conservation.

Lincoln Park Zoo has been a privately managed institution since 1995 that depends primarily on the support of its visitors, members and donors to remain open and free every day. More than two-thirds of the zoo's operating budget is provided by revenue from its food service, retail shops, parking, and fund-raising activities. The remaining portion is provided by a fixed annual subsidy from the Chicago Park District.

The zoo serves 3.5 million visitors each year. Most visitors are from Illinois, but the zoo serves a large number of tourists, both national and international. During the winter months, many of the zoo's animals tend to stay indoors and off-exhibit. Japanese macaques and polar bears prefer colder climates, and South African Black-footed penguins live in temperate climates with cold water. These new exhibits will create increased observing and educational opportunities for visitors, scientists, and students on a year-round basis. The new train will provide a more immersive, educational and enjoyable experience for the children riding it, as well as views into the macaque exhibit.

Macaques are a unique primate with high levels of interaction and deep social bonds. In addition to creating a natural, immersive environment for the macaques, their new exhibit will offer state-of-the-art learning tools such as a mobile learning station, webcams, and other interpretive programs that visitors and students, as well people who are not physically on zoo grounds, will have access to. We believe this will expand the zoo's reach and reinforce its commitment to scientific research and connecting people with nature and wildlife. It will also present new opportunities for science and research, particularly in animal behavior and social biology.

South African Black-footed penguins are an endangered species, as estimates suggest there are only 55,000 remaining in the wild. As with its other endangered species, Lincoln Park Zoo will participate in a cooperative breeding program with other zoos to help this species endure. In addition to educating guests about Lincoln Park Zoo's conservation efforts, this exhibit will offer a private encounter area where guests can interact with the penguins and learn about their behavior.

With the new Education Center, Lincoln Park Zoo will provide students access to state-of-the-art technology and multi-media equipment to help them discover, understand, and appreciate the natural world around them. Additionally, it will enable researchers and scientists to study effective, innovative ways for people to learn outside of traditional settings. This facility will boost the zoo's efforts to provide the next generation with the skills, knowledge and confidence to become leaders in their fields.

Further information about Lincoln Park Zoo and the Society is available at its website: http://www.lpzoo.org/.

The Society has several State and Federal contracts and agreements whereby it receives funding. Notably, the Illinois Department of Commerce and Economic Opportunity ("**DCEO**") and the Illinois Department of Natural Resources ("**DNR**") have provided State grants in the amounts of $1,600,000 on April 1, 2011 and $2,000 on August 20, 2012, respectively.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Bryan Engel, Director of Finance, The Lincoln Park Zoological Society, 2001 North Clark Street, Chicago (Cook County), IL 60614

Contact: Troy Baresel, CFO/Sr. V.P. Operations: (T) 312-742-2095; email: tbaresel@lpzoo.org

Website: http://www.lpzoo.org/

Site Locations: The Project is or will be operated by the Zoo Society and is or will be located on land owned by the Chicago Park District known as the Lincoln Park Zoological Gardens (and commonly referred to as the “Lincoln Park Zoo”), having an address of 2200 North Cannon Drive, Chicago, Illinois, and generally bordered, more or less, by Fullerton Parkway on the north, Cannon Drive on the east, public park land on the south and Stockton Drive on the west, all within Chicago, Illinois. The Zoo Society has the right to use and operate such facilities and occupy such land for 30 years, commencing January 1, 1995, pursuant to the terms of an Operating Agreement Regarding the Lincoln Park Zoological Gardens dated as of January 1, 1995, between the Chicago Park District and the Zoo Society.

Project name: Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program)

Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code

Board of Trustees:

Women's Board:

OFFICERS

Peggy White, President

Susan F. Erler, Ph.D., Vice President, Membership

Karen V. Peterson, Vice President, Programs & Administration

Joan Leydon Siff, Vice President, Development

Allyson Pooley
Treasurer

Katie Gledhill
Secretary

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sidley Austin LLP	Chicago, IL	Richard Astle
Accountant:	Plante Moran	Chicago, IL	Genevieve Burns
Auditor:	(as successor to Blackman Kallick, LLP)		
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Dealer:	JP Morgan Securities LLC	New York, NY	Suzanne B Beitel
		Chicago, IL	Jacob Pancratz
Dealer's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
LOC Provider:	Northern Trust Corporation	Chicago, IL	Hank Thompson
Trustee:	Bank of New York Mellon Trust Co.	Chicago, IL	Robert Demos
		New Albany, OH	Susan McAfoos
Architect:	Eight Architects	Chicago, IL	Robert Larsen
General Contractor:	Pepper Construction Company	Chicago, IL	
IFA Counsel:	Cahill Law Office	Chicago, IL	Kevin Cahill
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

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LEGISLATIVE DISTRICTS

Congressional:	5
State Senate:	6
State House:	12

ILLINOIS FINANCE AUTHORITY

CONDUIT

November 14, 2013

$15,500,000
The Lodge of Northbrook, Inc.

REQUEST	**Purpose**: Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the "**Borrower**", the "**Corporation**" or "**The Lodge**") to (i) pay off a construction loan for Phase I, a 3-story brick, 58-unit senior living community located at Founders Drive and Kamp Drive in Northbrook, Illinois; (ii) finance a Phase II, 4-story brick, 20-unit senior living community attached to Phase I; and (iii) 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 Preliminary Bond Resolution approved 10/11/2011 Yeas: 10; Nays: 0; Abstentions: 0; Absent 3 (Durburg, Leonard, Zeller); Vacancies:2
MATERIAL CHANGES	This project was first presented to the Board in October, 2011 and approved for $13,000,000 for Phase I only. A Phase II is now included and the not-to-exceed amount has increased slightly.
JOB DATA	2 Current jobs 5 New jobs projected N/A Retained jobs 80 Construction jobs projected
DESCRIPTION	• Location: Northbrook, Illinois (Cook County/Northeast Region) • The Lodge of Northbrook has completed Phase I, containing 58 units and common areas and services located on Founders Drive and Kamp Drive in Northbrook. Phase II, containing 20 units will commence construction in November. The Lodge is designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership. Essex Corporation, as developer of the community, brings substantial expertise to the The Lodge of Northbrook, having designed, built, and managed three similar projects in the Chicago area as well as 30+ senior residences throughout the Midwest.
CREDIT INDICATORS	• Direct Purchase by Great Western Bank.
SECURITY	• First deed of trust and assignment of rents and leases.
MATURITY	• Not later than 30 years after anticipated 2013 issuance date.
SOURCES AND USES	(see table below)
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		Uses:	
IFA Bonds	$15,500,000	Land Costs	$948,075
Entrance Fees	19,017,991	New Construction	23,608,342
		Absorption/Debt Service Reserve	1,009,783
		Furniture/Equipment	499,000
		Architectural & Engineering	631,380
		Legal & Financing	817,175
		Professional/ Marketing	6,512,587
		Capitalized Interest	491,649
Total	**$34,517,991**	**Total**	**$34,517,991**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 14, 2013

Project: The Lodge of Northbrook

STATISTICS

Project Number:	H-SL-TE-CD-8500	Amount:	$15,500,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Northbrook, Illinois	County/ Region:	Cook County/ Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution approved 10/11/2011
Yeas: 10; Nays: 0; Abstentions: 0; Absent: 3 (Durburg, Leonard, Zeller); Vacancies: 2

PURPOSE

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 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").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$15,500,000	Land Costs	$948,075
Entrance Fees	19,017,991	New Construction	23,608,342
		Absorption/Debt Service Reserve	1,009,783
		Furniture/Equipment	499,000
		Architectural & Engineering	631,380
		Legal & Financing	817,175
		Professional/Marketing	6,512,587
		Capitalized Interest	491,649
Total	**$34,517,991**	**Total**	**$34,517,991**

JOBS

Current employment:	2	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	80

FINANCING SUMMARY/STRUCTURE

Security: First deed of trust and assignment of rents and leases.

Structure: The plan of finance contemplates a Direct Purchase Bond by Great Western Bank. The Bonds will be issued to take-out a bank construction loan on this proposed project upon completion and to finance a second phase of construction.

Interest Rate: 3.95%

Interest Modes: Variable adjusted every 5 years

Current Rating: The Bonds will not be rated.

Maturity: 30 Years

Estimated Closing Date: November, 2013

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

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 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").

BUSINESS SUMMARY

Background: **The Lodge of Northbrook** (the **"Borrower"**) is an Illinois not-for-profit 501(c)(3) organization that was incorporated on August 16, 2011 to provide residential facilities for the aged. The facilities are designed to meet the needs of the aged, including suitable housing, physical and mental health care, civic, cultural and recreational activities, and an overall environment conducive to dignity and independence. Phase I of The Lodge of Northbrook is a three-story brick building designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership. Phase II will be connected to Phase I and accommodate 20 units.

According to US Census data, there are 9,372 households with people over 65 years of age and annual incomes over $35,000 living within a 3-mile radius of the project site.

The units are now priced with entrance fees ranging from $97,500 to $607,320 and monthly fees ranging from $921 to $4,415. Prospective residents typically use equity generated from the sale of their homes to pay the entrance fee. Residents may enroll in a meal plan for an additional charge. Residents paying a supplemental fee equal to the entrance fee will receive a 35% discount in the standard monthly fee, which the developer believes provides a 6% return. The entrance and supplemental fees are returned to residents (or their estate) upon leaving the community from payments made by new incoming residents.

The site is zoned appropriately ("RS").

The Developer: **Essex Corporation ("Essex" or the "Developer")**, a Nebraska corporation, is the project developer and administrator pursuant to a development and management agreement with The Lodge of Northbrook.

Essex Corporation has been active in designing, developing, constructing, marketing, financing and managing senior housing since its inception in 1976. The company offers its services to not-for-profit (or for-profit) sponsors on a bundled or unbundled basis and on a turn-key or joint venture format.

Essex has developed over 3,000 senior housing units in 11 states in the West and Midwest, in projects ranging in size from $500,000 to $25,000,000. Essex Corporation currently manages projects similar to The Lodge of Northbrook.

Essex Corporation was the developer for The Reserve of Geneva, a senior living facility financed with IFA Bonds in 2004 and 2008. All payments on The Reserve of Geneva project (owned by another entity, but pre-developed with the assistance of Essex) have been made as scheduled as of 10/1/2013.

The Investor: Great Western Bank has experience in the acquisition, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of senior housing properties.

Great Western Bank was founded in 1907 as a hometown community bank. Now a regional leader with approximately 200 locations. Great Western Bank is the flagship for the United States banking operations of their parent company, National Australia Bank Limited (NAB). They currently are part of a AA-/Aa2 (S&P and Moody's, respectively) rated financial institution.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Lodge of Northbrook 2220 Founders Drive Northbrook, IL 60062
Website:	http://www.lodgeofnorthbrook.com
Project name:	The Lodge of Northbrook (Series 2013)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board Members:	Martha Marra Karen Gilbert Jenanne Rock

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kutak Rock LLP	Omaha	Howard Frederick Hahn
Bond Counsel:	Baird Holm	Omaha	Chuck Addy
Bond Purchaser:	Great Western Bank	Omaha	Gordon Harnish
Market Feasibility	Maxfield Research, Inc.	Minneapolis	Mary Bujold
Accountant:	Lutz & Company	Omaha	Shawn Wederquist
Architect:	JSSH Architects, Inc.	Minnentonka	Roger Johnson
General Contractor:	McShane Construction Company	Chicago	Matt Dougherty
IFA Counsel:	Ice Miller	Chicago	Jim Snyder
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional:	9	Janice Schakowsky
State Senate:	9	Jeffrey M. Schoenberg
State House:	17	Daniel K. Biss

SERVICE AREA

The Lodge of Northbrook's primary service area includes the city of Northbrook, IL and its surrounding community.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton and Brad R. Fletcher

Date: November 14, 2013

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

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This memorandum consists of four sections:

I. Overview of Resolution Request and Chronology subsequent to the 1990 Enactment of the Financially Distressed City Law

Resolution Request: The **City of East St. Louis** (the "**City**") and **Bank of New York Mellon Trust Company, N.A.** (the "**Trustee**") are seeking approval of the accompanying Resolution by the **Illinois Finance Authority** ("**IFA**") Board of Directors to (i) provide for the payment of the principal of and interest on the outstanding IFA Series 2010 Financially Distressed City Debt Restructuring Revenue Refunding Bonds (City of East St. Louis) to enable the remaining outstanding principal balance (and interest due) and (ii) provide for the payment of the fees and expenses relating to the resulting defeasance of the Series 2010 Bonds and any and all notices required.

The outstanding principal balance of the Series 2010 Bonds is expected to be approximately $1,985,000 as of 11/15/2013. The Resolution would enable the Series 2010 Bonds to be defeased in advance of the scheduled 11/15/2014 final maturity date.

Chronology of Key Events since 1990:

- **The Series 2010 Bonds represent the last remaining principal balance outstanding (these Series 2010 Bonds ultimately refunded bonds originally issued in connection with a $21,435,000 Debt Restructuring Bond issued in October 1994 by the Illinois Development Finance Authority ("IDFA")).**
- **IFA, as successor to IDFA, is authorized to issue bonds under the "Financially Distressed City Assistance Program (Sec. 825-20 through Sec. 825-60 under IFA's statute) for any Home Rule Unit of local government which has been certified and designated as a "financially distressed city" under Section 8-12-4 of the Illinois Municipal Code.**

- Events that preceded issuance of the original Series 1994 Bonds that enabled the City to restructure its debts (and refunded through the currently outstanding IFA Bonds) are described below.

- **In 1990, the City of East St. Louis requested State assistance pursuant to the Financially Distressed City law, which was enacted on August 31, 1990.**
  - Pursuant to the Financially Distressed City Law, the City of East St. Louis requested that the Illinois Department of Revenue certify the City, and that the State General Assembly, by joint resolution, designate the City, as a "financially distressed city" under the Financially Distressed City Law.
    - The Illinois Department of Revenue proceeded to certify that the City satisfied the specified requirements for certification as a "financially distressed city", namely:
      - (i) the highest 5% of all Home Rule Municipalities in terms of the aggregate of the rate percent of all taxes levied pursuant to statute or ordinance and
      - (ii) the lowest 5% of all Home Rule Municipalities in terms of per capita tax yield.
    - The Illinois General Assembly then adopted the required joint resolution designating the City as a financially distressed city.
    - To date, the City of East St. Louis is the only Illinois Home Rule Municipality that has requested designation as a "financially distressed city" under the Financially Distressed City Law.
  - The City Council of the City of East St. Louis then adopted an Ordinance requesting the appointment of a financial advisory authority for the City that was filed as required under the Financially Distressed City Law.
    - In August 1990, the Governor appointed a five-member panel to serve as directors of the "**City of East St. Louis Financial Advisory Authority**" (hereinafter, the "**Financial Advisory Authority**" or the "**FAA**").
    - <u>Statutory powers of the Financial Advisory Authority and obligations of the City under the Financially Distressed City Law include</u>:
      - The FAA is authorized to review and accept or reject the City's three-year financial plans (prepared according to guidance provided under the Financially Distressed City Law), budgets, and all contracts and other obligations to be entered into by the City, including any Loan Agreement in connection with Debt Restructuring Bonds issues by IDFA (IFA).
      - The FAA is also authorized to review and accept or reject any expenditures (except pre-existing debt service) or enter into contracts or obligations unless they are consistent with the current financial plan and budget.
      - Under the Financially Distressed City Law, the City is required to have balanced budgets.

- **On January 17, 1994, a meeting was convened between the City and the FAA that resulted in formation of a debt restructuring task force, with the mission of developing an appropriate restructuring plan for presentation and consideration by the governing bodies of the City and the FAA.**
    - On February 14, 1994, the task force released a preliminary report that set forth key concepts to be incorporated into a formalized debt restructuring plan for the City and also announced the task force reached preliminary agreement with the **Internal Revenue Service** ("**IRS**") while settlements with other federal agencies were being negotiated:
        - <u>The City negotiated several important settlements with federal agencies that were finalized between March and October 1994 (these were also approved by the FAA):</u>
            - The City entered into a Closing Agreement with the IRS, providing for the settlement of a $14,544,000 IRS claim for $1,400,000.
            - The City entered into a Settlement Agreement with the U.S. Department of Labor resolving a $12,098,210 claim for $1,000,000.
            - The U.S. Department of Housing and Urban Development waived its rights to seek reimbursement of $1,598,479 from the City.
    - On April 6, 1994, the Debt Restructuring Plan was presented to and approved by the City Council of the City of East St. Louis (and subsequently approved by the FAA) and, subsequently amended in September 1994.
        - <u>The Debt Restructuring Plan was a common law, out-of-court composition of debts through voluntary settlements with eight classes of creditors and claimants</u> (i.e., secured bond claims; federal claims; state claims, pension claims; litigation claims; employee claims; questioned claims; and inter-fund liabilities).
        - The City entered into a Covenant Not to Sue with the East St. Louis Firemen's Pension Fund in September 1994 and with the East St. Louis Police Pension Fund in October 1994.
        - Creditors and other claimants who did not agree to settle their claims were free to dissent and pursue remedies under applicable law.
            - The Debt Restructuring Plan also capitalized a Dissenters Claim Fund that was initially funded at $1,630,000 to fund unaccepted claims of approximately $2,700,000.

- **October 27, 1994 –IDFA issued $21,435,000 of Debt Restructuring Revenue Bonds, Series 1994 (City of East St. Louis)**
    - Followed approval of City, FAA, and IDFA Ordinances/Resolutions
    - <u>Proceeds of the Series 1994 Bonds were used to make a loan of $21,435,000 (i.e., the "**City Loan**") to the City of East St. Louis to fund a City Debt Restructuring Plan approved by the FAA under the Financially Distressed City Law, including:</u>
        - The refunding or advance refunding of certain outstanding City bonds, establishing certain reserves, paying costs of issuance and making the City Loan.

- The Bonds were comprised of Serial Bonds and Term Bond maturing between 1 year and 19 years (i.e., 11/15/2013).
  - As described further below, the Series 2010 Bonds deferred the principal payments due in 11/15/2010 to 11/15/2014 (thereby extending the final maturity date of the Debt Restructuring Bonds one year beyond the existing 11/15/2013 final maturity date).

General Summary of the Security Structure for the Series 1994 Bonds (and the subsequent refunding bonds issued in 2003, 2005, and 2010):

- **The Series 1994 Bonds (and the subsequent 2003, 2005, and 2010 Revenue Refunding Bonds) are a full faith and credit general obligation of the City.**

  Although the City covenanted to levy ad valorem taxes upon all taxable real property in the City for payment of the Bonds (and City Loan) in the event of a default, the Official Statements for the Series 1994 Bonds and subsequent refundings noted that Pledged Revenues were to be the primary source of repayment of the Bonds/City Loan (since the City had not levied ad valorem taxes).

- **Pursuant to the Financially Distressed City Laws and the Loan Agreement for the IFA Bonds, the City directed the State Comptroller and State Treasurer pursuant to the IFA Act and the Financially Distressed City Law to intercept all State Source Pledged Revenues payable to the City allocated by the Illinois Department of Revenue, for payment of principal and interest on the Bonds including:**

  - Sales Taxes
  - Income Taxes
  - Replacement Taxes
  - Riverboat Gambling Taxes; and
  - Telecommunications Taxes

  - Local Source Pledged Revenues represent an additional pledged source:
    - Public Utility Taxes

- **The Trust Indenture also established a Debt Service Reserve Fund that was funded in an amount equal to maximum annual debt service payments** (i.e., this was the capitalization applicable to the Series 2010 Bonds).
  - The Debt Service Reserve Fund has been available to fund deficiencies in the Interest Account or Principal Amount (or to pay principal and interest on the Bonds at maturity).

- **State Moral Obligation Provision:**
    - **Events leading to IDFA (IFA) Certification of Amount required under Moral Obligation provision**
        - In the event that (i) the Debt Service Reserve Fund ever needed to be recapitalized or (ii) IDFA (IFA) were to determine that funds pledged, intercepted, or otherwise received were to be insufficient for the payment on any Bonds issued under IDFA's (IFA's) Distressed City Financial Assistance Program, the IFA Chairman, as soon as is practicable, would be obligated to certify to the Governor the amount required by IDFA (IFA) to enable it to pay the principal, premium, if any, and interest due on such Bonds.
        - The Governor would be required submit the amount so certified to the General Assembly as soon as practicable, but not later than the end of the current State fiscal year.
        - Under the Constitution of the State of Illinois, any payment of state funds to pay bond debt service is subject to an appropriation by law.
        - The recommendation of the Governor for State appropriations is a matter of executive discretion.

Accordingly, the Moral Obligation provision does not constitute a legally enforceable obligation on the part of the State for the payment of money to the Authority or on the part of the Governor to recommend a State appropriation for that purpose, nor does it create a debt of, or obligation enforceable against the State.

December 16, 1999: Illinois Supreme Court Decision: City of East St. Louis, Appellant, v. East St. Louis Financial Advisory Authority, Appellee:

- **This case presented two issues:**
    - (1) Whether the Financially Distressed City Law empowers a "financial advisory authority" to impose a budget after that city fails to adopt a satisfactory budget; and,
    - (2) Whether the East St. Louis Financial Advisory Authority acted in an arbitrary and capricious manner in rejecting the second of two proposed city budgets submitted by the City of East St. Louis.
- **The Illinois Supreme Court held that:**
    - (1) The Financially Distressed City Law does not empower a Financial Advisory Authority to impose a budget upon a city, and
    - (2) The FAA did not act in an arbitrary and capricious manner when it rejected the City's proposed budget.

March 18, 2003: IDFA issued $9,655,000 (Par Amount) of Series 2003 Bonds to advance refund the Outstanding Principal Amount of Series 1994 Bonds to attain Present Value Savings

January 1, 2004: The Illinois Finance Authority commenced operations pursuant to statute (serving as successor to the Illinois Development Finance Authority and six other entities)

June 18, 2005: FAA Certified 10 Consecutive Years of Balanced Budgets by the City

- **The FAA approved a Resolution that certified that the City of East St. Louis had attained 10 consecutive years of balanced budgets and then delivered a written certificate to the Governor as required by law.**
  - Upon such certification, the FAA ceased to exercise its day-to-day supervisory oversight.
  - The City remained obligated, however, to provide the FAA and IFA with its required audit reports required under the Municipal Auditing Law by August 30th each year and balanced budget for the subsequent calendar year by December 17th each year.
  - **Effective upon this certification pursuant to the Financially Distressed City Laws, IFA (IDFA) was now responsible to report and certify any failure by the City to report and file its annual audit reports and balanced budgets as required by the Financially Distressed City Law or the Illinois Municipal Auditing Law.**
    - IFA would undertake this function until such time as the City failed to report as required, at which time IFA would certify such failure to the Governor, thereby irrevocably reactivating and restoring the full oversight authority of the FAA until any remaining IFA Bonds are repaid in full (see September 21, 2005 IFA Certification procedure described below).

August 16, 2005: IFA issued $4,680,000 of Series 2005 Refunding Bonds

- Proceeds current refunded the remaining outstanding balance of the original Series 1994 Debt Restructuring Revenue Bonds and paid costs of issuance (these proceeds were not eligible to be advance refunded in 2003).

September 21, 2005: IFA certified the City's Failure to Deliver its annual audit report and supplemental report for the fiscal year ended 12/31/2004 to the IFA and the FAA by the August 30th deadline specified under the Illinois Municipal Auditing Law (and as required under the Financially Distressed City Law).

- Concurrent with delivery of this IFA written certification, the FAA immediately resumed its full day-to-day supervisory oversight authority over the City, which pursuant to the Financially Distressed City Law was to continue until the IFA Debt Restructuring Bonds (or refunding bonds) are paid in full.
- ***Note:*** Counsel to the IFA on this matter (and Bond Counsel) had determined that execution and delivery of this certification letter was a defined procedure mandated under the Financially Distressed City Law and IFA Act (and, collectively, the "**Financially Distressed City Laws**") and did not require IFA Board approval.

October 6, 2010: IFA issued $1,985,000 of Series 2010 Refunding Bonds

- **These refunding bonds refinanced $1,985,000 of Series 2003 and Series 2005 Bonds originally due 11/15/2010 and extended the final maturity date of these refunded bonds to 11/15/2014.**
  - **This refunding extended the final maturity date beyond the original 11/15/2013 final maturity date established under the original Series 1994 bond issue.**

November 15, 2013 – (1) Repayment of IDFA Series 2003 Bonds and IFA Series 2005 Bonds on 11/15/2013 and (2) the Proposed Defeasance of the IFA Series 2010 Bonds as of 11/15/2013:

- **On 11/15/2013, the City will pay off the remaining $1,250,000 outstanding balance of the IDFA Series 2003 Bonds and remaining $1,840,000 outstanding balance of the IFA Series 2005 Bonds** (pursuant to the original term bond maturity schedules for each issue).
- **Additionally, as proposed in the attached Resolution, the Series 2010 Bonds will be defeased which:**
  - (i) will end the City's reporting obligation under the Financially Distressed City Law and
  - (ii) will end the East St. Louis Financial Advisory Authority's financial oversight responsibilities of the City and the FAA will become inactive.
- To recap, the defeasance of the Series 2010 Bonds will end the City's reporting obligation to provide balanced budgets and audits to the FAA and to IFA as required under the Financially Distressed City Law. Likewise, the East St. Louis Financial Advisory Authority oversight authority will end and the FAA will become inactive.
- Additionally, upon defeasance of the Series 2010 Bonds, the Moral Obligation provision relating to the remaining $1,985,000 of Series 2010 Bonds will no longer be in effect.

II. Formal Description of Resolution Request:

The City of East St. Louis (the "**City**") and Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, National Association (the "**Trustee**") are seeking Board approval to utilize funds currently held by the Trustee under the Third Supplemental Trust Indenture dated as of October 1, 2010, between the Illinois Finance Authority (the "IFA") and the Trustee (the "**Third Supplemental Indenture**"), to (i) provide for the payment of the principal of and interest on the outstanding IFA Revenue Refunding Bonds, Series 2010 (City of East St. Louis Project) and (ii) provide for the payment of the fees and expenses relating to the resulting defeasance of the Series 2010 Bonds and any and all notices required under the Financially Distressed City Law.

As of November 15, 2013, the Series 2010 Bonds will be the only bonds outstanding issued by IFA on behalf of the City. The Trustee has sufficient moneys on deposit to pay in full the principal of (and interest on) the outstanding Series 2010 Bonds.

Approval of the accompanying resolution will thus effectuate the defeasance of the Series 2010 Bonds by authorizing the IFA to execute and deliver any and all such documents and to do any and all such things as may be necessary to carry out and comply with and further the purposes and intent of this Resolution.

III. Detailed Background on the Series 2010 Bonds, Security for the Bonds, Oversight Responsibilities, and Defeasance of the Series 2010 Bonds:

Series 2010 Bonds

The Series 2010 Bonds were issued pursuant to the Trust Indenture between IFA and the Trustee, the Illinois Finance Authority Act 20 ILCS 3501/801-1 et seq., and particularly 20 ILCS 3501/825-20 et seq., as supplemented and amended (the "**Act**"), an ordinance duly adopted by the City Council of the City of East St. Louis on September 17, 2010 (the "**Ordinance**"), and a resolution duly adopted by IFA on September 14, 2010 (the "**Bond Resolution**").

The 1994 Indenture was entered into in connection with the issuance of the Illinois Development Finance Authority's Debt Restructuring Revenue Bonds, Series 1994, in the original aggregate principal amount of $21,435,000 (the "**Series 1994 Bonds**"), the First Supplemental Indenture was entered into in connection with the issuance of the Illinois Development Finance Authority's Revenue Refunding Bonds, Series 2003, in the original aggregate principal amount of $9,655,000 (the "**Series 2003 Bonds**") and the Second Supplemental Indenture was entered into in connection with the issuance of the IFA's Revenue Refunding Bonds, Series 2005, in the original aggregate principal amount of $4,680,000 (the "**Series 2005 Bonds**" and, together with the Series 2003 Bonds and Series 2010 Bonds, the "**Bonds**"). The proceeds from the issuance of the Series 2003 Bonds advance refunded a portion of the Series 1994 Bonds while the Series 2005 Bonds were used to refund the remaining outstanding balance of the Series 1994 Bonds (a portion of the proceeds of each issue were also used to pay certain costs of issuing the Series 2003 Bonds and the Series 2005 Bonds, respectively).

The proceeds of the Series 2010 Bonds were used to make a loan in the aggregate principal amount of $1,985,000 (the "**2010 City Loan**") to the City pursuant to the Loan Agreement dated as of October 15, 1994 (the "**1994 Loan Agreement**"), as amended by the First Amendment to Loan Agreement dated as of March 1, 2003 (the "**First Amended Loan Agreement**"), the

Second Amendment to Loan Agreement dated as of August 1, 2005 (the "**Second Amended Loan Agreement**") and the Third Amendment to Loan Agreement dated as of October 1, 2010 (the "**Third Amended Loan Agreement**") (the 1994 Loan Agreement, the First Amended Loan Agreement, the Second Amended Loan Agreement and the Third Amended Loan Agreement, together with all amendments and supplements thereto, the "**Loan Agreement**"), between the City and IFA.

The proceeds of the 2010 City Loan were used to (i) currently refund $1,095,000 principal amount of the Series 2003 Bonds and $555,000 principal amount of the Series 2005 Bonds (such refunded Series 2003 Bonds and Series 2005 Bonds, the "**Refunded Bonds**") that otherwise had a principal and interest payment due on November 15, 2010, (ii) pay interest on the Series 2003 Bonds and Series 2005 Bonds that was due on November 15, 2010, (iii) fund an increase in the Debt Service Reserve Fund for the benefit of the Bonds, and (iv) pay certain costs of issuing the Series 2010 Bonds and making the 2010 City Loan. The amounts that would have been used for debt service on the Refunded Bonds were transferred to the City and used to address current critical City budget shortfalls at that time.

The City

East St. Louis is a municipality and home rule unit of government under the Illinois Constitution of 1970, located on the eastern bank of the Mississippi River directly across from St. Louis, Missouri. Since 1960, the City has experienced a severe loss of population and tax base. Unemployment is high compared to State and national levels, and median household income and home values are low. During the 1970's and 1980's the City experienced increasing financial stress resulting from a shrinking tax base, a dwindling population and a subsequent loss of general fund revenue. By the late 1980's the City's operating deficits had paralyzed the delivery of essential services.

The City's Request for State Assistance Pursuant to the Financially Distressed City Law

In 1990, the City requested State assistance pursuant to the Illinois Financially Distressed City Law, 65 ILCS 5/8 12 1 et seq., which was enacted on August 31, 1990. Pursuant to the Financially Distressed City Law, the City requested that the Illinois Department of Revenue certify the City, and that the State General Assembly by joint resolution designate the City, as a "financially distressed city" under the Financially Distressed City Law. As required, the Department of Revenue certified that the City was in the highest 5% of all home rule municipalities in terms of the aggregate of the rate percent of all taxes levied pursuant to statute or ordinance upon all taxable property of the municipality and was in the lowest 5% of all home rule municipalities in terms of per capita tax yield. The Illinois General Assembly adopted the necessary joint resolution.

Separately, the Illinois Development Finance Authority's authorizing statute was expanded to authorize issuance of Debt Restructuring Revenue Bonds for purposes of enabling any properly designated Financially Distressed City to restructure its current indebtedness and to provide and pay for its essential municipal services as determined in a manner consistent with the Financially Distressed City Law by the financial advisory authority established for that city under the Financially Distressed City Law.

The City of East St. Louis was the first (and only) municipality to request assistance pursuant to the Financially Distressed City Law.

The Financial Advisory Authority ("FAA")

The Financially Distressed City Law established the East St. Louis Financial Advisory Authority in September 1990 which acts as an oversight panel to direct the financial management of the City, administer a State emergency loan (the "**State Loan**") and assist the City in debt restructuring in part through a series of bond issues through IFA and its predecessor agency, Illinois Development Finance Authority, as noted previously.

Full Faith and Credit

The Bonds have been a direct obligation of the City and the full faith and credit of the City was irrevocably pledged pursuant to the Ordinance, the City ordinance relating to the Series 2003 Bonds (the "**2003 Ordinance**") and the City ordinance relating to the Series 2005 Bonds (the "**2005 Ordinance**" and, together with the Ordinance and the 2003 Ordinance, the "**Bond Ordinances**"). However, it has always been intended that (i) Sales Tax Revenues, (ii) Income Tax Revenues (iii) Replacement Tax Revenues, (iv) Riverboat Gambling Revenues (the "**State Source Pledged Revenues**") and (v) Public Utility Tax Revenues (the "**Local Source Pledged Revenues**" and, together with the State Source Pledged Revenues, the "**Pledged Revenues**") be the primary source for repayment of the Bonds.

More specifically, the City pledged the full faith and credit of the City to the punctual payment of its obligations under the Loan Agreement and covenanted and agreed with IFA that whenever other funds from the State Source Pledged Revenues and the Local Source Pledged Revenues are not available for the purpose of paying any principal of and interest on the Bonds, IFA shall have the right to demand that the City levy and collect upon all of the taxable real property in the years for which any obligations of the City under the Loan Agreement are outstanding ad valorem taxes sufficient for that purpose.

State Revenue Intercept

Bonds issued to assist the City in debt restructuring have been further secured by procedures established by IFA, the City, the FAA, the State Department of Revenue, the State Comptroller and the State Treasurer (the "**State Intercept Procedures**") to implement the direct payment of all State Source Pledged Revenues from the State to the Trustee for application under the Indenture pursuant to the Financially Distressed City Laws and the Loan Agreement.

Debt Service Reserve Fund

The Indenture also established a Debt Service Reserve Fund in an amount equal to the lessor of 10% of the outstanding aggregate principal amount of the Bonds or the maximum annual debt service payable on the Bonds in the then current or any future bond year (the "**Debt Service Reserve Fund Requirement**").

State Moral Obligation

The State and IFA determined that the Bonds should likewise be moral obligations of the State pursuant to the Act and the Financially Distressed City Laws. Under the Indenture, promptly upon receipt of any notice from the City or the FAA that funds pledged or intercepted will not be sufficient to may any regularly scheduled payment of principal of and interest on the Bonds or to make up any deficiency in the Debt Service Reserve Fund, the Chairman of IFA is to certify to the Governor the amount required to pay the principal of and interest on the Series 2010 Bonds or to restore the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement. As a result, the Governor would then submit any amount so certified to the

Illinois General Assembly as soon as practicably possible, but no later than the end of the then-current State fiscal year (June 30). There was, however, no legal obligation or assurance that such money would be appropriated.

Mechanics of City Oversight

Under the Financially Distressed City Law, the FAA is authorized to exercise several oversight functions with regard to the City's finances, including without limitation approving financial plans, budgets, contracts and other obligations and providing direction to the City with respect to the reorganization of the City's financial accounts and management and budgetary systems. The Directors of the FAA are appointed by the Governor, with the advice and consent of the State's Senate.

The Financially Distressed City Law provides that in the event that the City completes ten successive years of balanced budgets, as certified by the FAA to the Governor, the FAA ceases to exercise its powers under the Financially Distressed City Law; provided however, that if at such time, the Bonds or any other obligations of the IFA remain outstanding, the City must continue to provide balanced budgets and audits to the FAA and to IFA.

The FAA, at their meeting of June 18, 2005, approved Resolution 05-0618-65, certifying that 2003 ended the year in balance and that 2003 represented the 10th year of successive balanced budgets. The Resolution also authorized and directed the Vice Chairman to notify the Governor and Mayor and City Council that the City had successfully completed 10 years of balanced budgets.

On June 20, 2005 the FAA certified to the Governor that the City successfully had completed ten successive years of balanced budgets. Under the provisions of the Financially Distressed City Law, upon such certification, the FAA ceased to exercise its day-to-day supervisory powers. However, because the Series 1994 Bonds and Series 2003 Bonds remained outstanding at the time, the City was to continue to provide the FAA and IFA an audit report and supplemental audit report required under the Municipal Auditing Law by the statutory due date of August 30th and a balanced budget for the following calendar year by December 17th.

In fact, the City did not provide balanced budgets and audits within the timeframes required by the Financially Distressed City Law and the Municipal Auditing Law. Specifically, the City failed to file an audit report for the fiscal year ended 12/31/1994 prepared according to the scope and within the timeframe specified under the Municipal Auditing Law, as contained in the Illinois Municipal Code. Accordingly, on September 21, 2005, IFA certified such failure to the Governor and concurrent with delivery of that certification, the FAA immediately resumed its oversight functions over the City until the principal of and interest on any outstanding Debt Restructuring Bonds (or refunding bonds thereof) was paid in full.

Defeasance of 2010 Bonds:

The defeasance of the Series 2010 Bonds will end the City's reporting obligation to provide balanced budgets and audits to the FAA and to IFA as required under the Financially Distressed City Law. Likewise, the East St. Louis Financial Advisory Authority oversight authority will end and the FAA will become inactive. As of June 30, 2012, the East St. Louis Financial Advisory Authority had Total Fund Balance/Net Assets of $7,090,434.

RESOLUTION NO. 2013-1114-AD06

RESOLUTION APPROVING THE DEFEASANCE OF REVENUE REFUNDING BONDS, SERIES 2010 (CITY OF EAST ST. LOUIS PROJECT) OF THE ILLINOIS FINANCE AUTHORITY; AND RELATED MATTERS.

WHEREAS, pursuant to its powers under 20 *Illinois Compiled Statutes 2012*, 3501/801-1 *et seq.*, as supplemented and amended, and particularly 20 *Illinois Compiled Statutes 2012*, 3501/825-20 *et seq.*, as supplemented and amended (the *"Act"*), the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the *"Issuer"*), is authorized to carry out the public purposes described in the Act by issuing its revenue bonds, notes or other evidences of indebtedness, the proceeds of which are to be used to make loans to a financially distressed city, certified and designated as such under the Financially Distressed City Law, 65 *Illinois Compiled Statutes 2012*, 5/8-12-1 *et seq.*, as supplemented and amended, for purposes of enabling such city to restructure its current indebtedness and to provide and pay for its essential municipal services as determined in a manner consistent with the Financially Distressed City Law by the financial advisory authority established for that city under said Financially Distressed City Law; and

WHEREAS, on January 1, 2004, pursuant to the Act, the Issuer replaced and assumed the responsibilities and obligations of several existing authorities, including without limitation the Illinois Development Finance Authority (the *"IDFA"*); and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the Act, the IDFA has previously accepted the application of the City of East St. Louis, St. Clair County, Illinois (the *"City"*) as a financially distressed city under the Financially Distressed City Law and the Act; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the Act, the IDFA has executed and delivered the Trust Indenture dated as of October 15, 1994 (the *"Original Indenture"*) from the Issuer to The First National Bank of Chicago, succeeded in trust by The Bank of New York Mellon Trust Company, N.A., as Trustee (the "*Trustee*"), which Original Indenture as supplemented and amended by the First Supplemental Trust Indenture dated as of March 1, 2003, from the IDFA to the Trustee, the Second Supplemental Trust Indenture dated as of August 1, 2005, from the Issuer to the Trustee, and the Third Supplemental Trust Indenture dated as of October 1, 2010, from the Issuer to the Trustee, and as from time to time supplemented is referred to herein as the *"Indenture"*, and has issued $21,435,000 aggregate principal amount of its Debt Restructuring Revenue Bonds, Series 1994 (City of East St. Louis Project) under the Indenture (the *"Series 1994 Bonds"*), in connection with the application of the City; and

WHEREAS, the IDFA has previously refunded a portion of the Series 1994 Bonds with the proceeds of $9,020,000 aggregate principal amount of its Refunding Revenue Bonds, Series 2003 (City of East St. Louis Project) (the *"Series 2003 Bonds"*), issued pursuant to the Indenture; and

WHEREAS, the Issuer has previously refunded the remaining portion of the Series 1994 Bonds with the proceeds of $4,530,000 aggregate principal amount of its Refunding Revenue Bonds, Series 2005 (City of East St. Louis Project) (the *"Series 2005 Bonds"*), issued pursuant to the Indenture; and

WHEREAS, the Issuer has previously refunded a portion of the Series 2003 Bonds and a portion of the Series 2005 Bonds with the proceeds of $1,985,000 aggregate principal amount of its Revenue Refunding Bonds, Series 2010 (City of East St. Louis Project), issued pursuant to the Indenture; and

WHEREAS, as of November 15, 2013, the Series 2010 Bonds will be the only bonds of the Issuer outstanding under the Indenture; and

WHEREAS, the Trustee has sufficient moneys on deposit under the Indenture to provide for the payment of the principal of and interest on the outstanding Series 2010 Bonds and to defease the lien of the Indenture;

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

Section 1. That pursuant to Article VII of the Indenture, the Issuer hereby approves the use of the funds held by the Trustee under the Indenture to provide for the payment of the principal of and interest on the Series 2010 Bonds currently outstanding and provide for the payment of the fees and expenses relating to, the obligations of the Issuer under the Indenture, and the Loan Agreement (as defined in the Indenture).

Section 2. That the Chairman of the Issuer, the Executive Director of the Issuer, the Secretary of the Issuer, and all other officers, employees and agents of the Issuer are hereby further authorized, empowered and directed to execute and deliver any and all such documents and to do any and all such things as may be necessary to carry out and comply with and further the purposes and intent of this Resolution, including the preambles to this Resolution, including without limitation directions to invest moneys and to defease the Series 2010 Bonds and the payment of all fees and expenses in connection with the defeasance of the Series 2010 and any and all notices required under the Financially Distressed City Law as required under the Indenture or otherwise required.

Section 3. That the Chairman, the Vice Chairman, the Executive Director, the Secretary and any Assistant Secretary of the Issuer be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Issuer and to take such other actions (including without limitation the payment of all costs of the defeasance of the Series 2010 Bonds by the Executive Director of the Issuer) as may be required in connection with the provisions of the Indenture.

Section 4. That all acts of the officers, employees and agents of the Issuer which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

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

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Chris Meister and Pam Lenane

Date: November 14, 2013

Re: Resolution Authorizing the Authority to Enter into an Intergovernmental Agreement with the Suburban Bus Division ("PACE") of the Regional Transportation Authority ("RTA") under which the Authority will provide Assistance to the Suburban Bus Division with the Approval of the Regional Transportation Authority.

The Illinois Finance Authority (the "*Authority*") was created to assist units of local government in borrowing money to finance and refinance "public purpose projects" (as defined in the IFA Act), capital facilities and infrastructure and to finance other public purposes of such units of local government.

The Suburban Bus Division ("PACE") of the Regional Transportation Authority ("RTA") is governed by a 13-member board of Directors ("PACE Service Board"). The PACE Service Board has requested the IFA to assist it by providing assistance in borrowing funds for certain projects authorized by its Board. The Authority is willing to provide such assistance to PACE.

The IFA Board is being requested to authorize the Director to enter into an Intergovernmental Agreement with Pace pursuant to which the Authority will issue its bonds and will loan the proceeds of such bonds to Pace and also to select and retain persons to provide various professional services in connection with the financing and the Authority is willing to provide such assistance.

RESOLUTION AUTHORIZING THE ILLINOIS FINANCE 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, AND CONCERNING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority (the "*Authority*") was created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*., as amended (the "*IFA Act"*), as a body politic and corporate of the State of Illinois and is authorized by the laws of the State of Illinois, including without limitation the IFA Act, to (i) issue its bonds for its corporate purposes and (ii) assist units of local government in borrowing money to finance and refinance "public purpose projects" (as defined in the IFA Act), capital facilities and infrastructure and to finance other public purposes of such units of local government; and

WHEREAS, the Regional Transportation Authority (the "*RTA*") was created by the Regional Transportation Authority Act. 70 ILCS 3615/1.01 *et seq*., as amended (the "*RTA Act*"), as a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois, for the purpose of (i) developing, implementing and enforcing plans that promote adequate, efficient, and coordinated public transportation in the northeastern area of the State of Illinois, (ii) providing financial review of the providers of public transportation in the metropolitan region, and (iii) facilitating public transportation provided by the Commuter Rail Division of the RTA ("*Metra*"), the Suburban Bus Division of the RTA ("*PACE*"), and the Chicago Transit Authority; and

WHEREAS, Article III-A of the RTA Act (i) establishes PACE as the operating division of the RTA responsible for providing public transportation by bus, (ii) provides for PACE to be governed by a 13-member board of directors (the "*PACE Service Board*"), (iii) empowers the PACE Service Board to cooperate with the RTA in the exercise by the RTA of all the powers granted to it by the RTA Act, and (iv) empowers the PACE Service Board, subject to certain conditions, to borrow money for specified purposes at estimated costs for each purpose specified in Article III-A in an aggregate amount not exceeding $100,000,000 pursuant to ordinance adopted by the PACE Service Board, subject to the approval of each such borrowing by the RTA by the affirmative vote of 12 of the RTA's directors; and

WHEREAS, pursuant to such statutory authority, the PACE Service Board desires to borrow monies for one or more of the purposes specified in Section 3A.09(e) of the RTA Act (collectively, the "*Project*"), and has requested the assistance of the Authority pursuant to the IFA Act; and

WHEREAS, the Authority is willing to provide such assistance; and

WHEREAS, Article 7, Section 10(a) of the 1970 Constitution of Illinois and the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq*., as amended, authorize "public agencies" to contract with other "public agencies" to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, and the Authority and the PACE Service Board are "public agencies" as that term is defined and used in the Intergovernmental Cooperation Act; and

WHEREAS, there has been prepared a draft of an intergovernmental agreement to be entered into by the Authority and the PACE Service Board pursuant to the authority described in the preceding paragraphs (the "*Intergovernmental Agreement*"), pursuant to which the Authority will issue its bonds and will loan the proceeds of such bonds to the PACE Service Board in order to assist the PACE Service Board in financing the Projects; and

WHEREAS, the PACE Service Board has obtained or will obtain, by the affirmative vote of the RTA's directors required by Article III-A of the RTA Act, the approval of the RTA for (i) the entry by the PACE Service Board into the intergovernmental agreement described below, (ii) the related loan by the Authority to the PACE Service Board, and (iii) the pledge of PACE funds to secure the repayment of such loan pursuant to Section 820-50 of the IFA Act; and

WHEREAS, PACE has requested the assistance of the Authority in selecting and retaining persons to provide various professional services in connection with the financing and the Authority is willing to provide such assistance;

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

Section 1. *Recitals*. The foregoing recitals are incorporated into and made a part of this resolution by this reference.

Section 2. *Intergovernmental Agreement*. An Intergovernmental Agreement containing terms and provisions consistent with the intent of this resolution is authorized, approved and confirmed, and the form, terms and provisions of the Intergovernmental Agreement are approved, and the officers of the Authority executing and attesting the same, shall constitute conclusive evidence of such approval.

Section 3. *Execution of Intergovernmental Agreement*. The Chairperson, the Vice Chairperson, the Executive Director, the Secretary and any Assistant Secretary of the Authority (or any person appointed to such office on an interim basis) are authorized and directed to execute, attest, seal and deliver this Resolution, the Intergovernmental Agreement, and any and all documents and do any and all things deemed necessary to carry out the intent and purposes of this Resolution.

Section 4. *Professional Services*. As provided in the Intergovernmental Agreement, the Authority will select underwriters, financial advisors, attorneys and other professional service providers in connection with the financing contemplated in the Intergovernmental Agreement in accordance with Section 1-10(b)(12) of the Procurement Code (30 ILCS 500/1-10(b)(12)) and the Authority's Procurement Policy.

Section 5. *Certain Actions Ratified and Approved*. All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and the Intergovernmental Agreement are, in all respects, ratified, approved and confirmed.

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

Section 7. *Conflicting Resolutions Repealed.* All resolutions and parts of resolutions in conflict with this Resolution are repealed to the extent of such conflict.

Section 8. *Resolution Effective***.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Adopted this **__**th day of November, 2013 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: Illinois Finance Authority Board of Directors

From: Pamela Lenane, Acting General Counsel

Date: November 14, 2013

Re: Resolution Adopting the Amended and Restated Plan Document of the Illinois Finance Authority 401(a) Contribution Plan

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The Illinois Finance Authority's (the "**Authority**") 401(a) Plan (the "**Plan**") currently provides for the exclusion of employees who have not worked for at least 90 days with the Authority. However, the administrative practice has been to allow employees to become participants after working for only 30 days. If the Internal Revenue Service ("**IRS**") were to audit the Plan and determine that the Plan has not been operated in accordance with its terms, it could result in the disqualification of the Plan or fines and penalties.

The correction for this is to retroactively amend the eligibility provisions of the Plan from a 90 day waiting period to a 30 day waiting period. This amendment would date back to the date the Plan was first administered under those terms. The Plan was administered in accordance with the 30 day provisions as of January of 2009 as evidenced by the Illinois Finance Authority Employee Manual (the "**Employee Manual**").

As part of the process for securing a determination letter with respect to the Plan, notice was given to interested parties on November 8, 2013 that the Plan has been submitted to the IRS for approval. Sections 2.1 and 3.1 of the Plan have been amended to change the eligibility rules to coordinate them with the provisions outlined in the Employee Manual and the manner in which the Plan is actually being administered. The attached Resolution authorizes the adoption of the Plan, including the correction of the operational failure under the Plan pursuant to the IRS' Voluntary Correction Program ("**VCP**"). The filing with the IRS will occur on or before November 21, 2013.

RESOLUTION 2013-1114-AD07

Resolution Adopting the Amended and Restated Plan Document of the Illinois Finance Authority 401(a) Contribution Plan

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

WHEREAS, pursuant to this authority, the Authority has established and maintains the Illinois Finance Authority 401(a) Contribution Plan (the "401(a) Plan") for its employees; and

WHEREAS, Article XIV of the 401(a) Plan provides the process of amending and restating the Plan document; and

WHEREAS, the 401(a) Plan wishes to procure a favorable letter of determination from the Internal Revenue Service in accordance with its normal submission period (Cycle C); and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to the provisions of Sections 801-25, 801-30 and 801-40 of the Act; and

WHEREAS, in amending and restating the Plan it was discovered that the Plan's eligibility provisions do not reflect how the Plan is currently administered or has been administered since January 2009; and

WHEREAS, the Plan must be submitted to the Internal Revenue Service ("IRS") for correction under its voluntary correction program ("VCP"); and

WHEREAS, the Members of the Authority wish to take any and all action necessary to correct the administrative failure discovered and submit the Plan to the IRS through VCP.

NOW, THEREFORE, BE IT RESOLVED BY 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. Adoption of Amended and Restated Plan Document. The Authority hereby adopts the amended and restated 401(a) Plan document that was made effective as of July 1, 2013.

Section 3. Correction. The Authority does hereby authorize the submission of the Plan to the IRS for correction under VCP, payment of all filing fees associated with VCP, and any corrective action required by the IRS to bring the Plan into compliance with current laws and legal requirements.

Section 4. Miscellaneous. The Authority does hereby authorize, empower and direct the Executive Director of the Authority, or his designee, to take or cause to be taken and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as he may deem necessary, appropriate or advisable in order to carry out the purpose and intent of the Resolution.

Section 5. Enactment. This Resolution shall take effect immediately. 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.