ILLINOIS FINANCE AUTHORITY
CONDUIT FINANCING COMMITTEE MEETING

REPORT OF PROCEEDINGS of the Special Meeting of the Illinois Finance Authority Conduit Financing Committee HELD IN PERSON and VIA AUDIO CONFERENCE on Tuesday, July 14, 2020 at 8:30 a.m., pursuant to notice.

PRESENT VIA AUDIO CONFERENCE:

CHAIR LYLE McCOY
MEMBER JAMES FUENTES
MEMBER MICHAEL GOETZ
MEMBER WILLIAM HOBERT
MEMBER ARLENE JURACEK
MEMBER JEFFREY WRIGHT
MEMBER BRADLEY ZELLER
CHAIRMAN ERIC ANDERBERG, ex-officio, non-voting

ALSO PRESENT:

ELIZABETH FLEMING WEBER - General Counsel
MICHAEL MOSS - Associate General Counsel, Assistant Secretary
BRAD FLETCHER, Vice President
RICH FRAMPTON, Executive Vice President
CHRISTOPHER MEISTER, Executive Director (in person and via audio conference)
SARA PERUGINI, Vice President, Healthcare/CCRC
ELIZABETH WEBER, General Counsel and Legal Advisor to the Board

CHAIR McCOY: The time is 8:30. This is Chair McCoy.

The Governor of the State of Illinois issued a Gubernatorial Disaster Proclamation on June 26, 2020 finding that, pursuant to the provisions of the Illinois Emergency Management Agency Act, a disaster exists within the State of Illinois related to public health concerns caused by the Coronavirus Disease 2019, COVID-19, and declaring all counties in the State of Illinois as a disaster area, which proclamation remains in effect for 30 days.

In accordance with the provisions of Section 7(e) of the Open Meetings Act, as amended, the Chair of the Authority, Eric Anderberg, has determined that an in-person meeting of the Authority and any of its Committees today, July 14, 2020, is not practical or prudent because of the disaster declared. Therefore, the Conduit Financing Committee meeting is being conducted via audio conference, without the physical presence of a quorum of the members.

Executive Director Meister is currently in the Authority's Chicago office at the location of the meeting and hosting the audio conference. All Members will attend this meeting via audio conference.

As we take the roll calls, the response of Members will be taken as an indication that they can hear all the Members, discussion and testimony.

Will the Assistant Secretary please call the roll?

MR. MOSS: This is Mike Moss. I will call the roll.

Mr. Fuentes?

MEMBER FUENTES: Here.

MR. MOSS: Mr. Goetz?

MEMBER GOETZ: Here.

MR. MOSS: Mr. Hobert?

MEMBER HOBERT: Here.

MR. MOSS: Ms. Juracek?

MEMBER JURACEK: Here.

MR. MOSS: Mr. Wright?

MEMBER WRIGHT: Here.

MR. MOSS: Mr. Zeller?

MEMBER ZELLER: Present.

MR. MOSS: Committee Chair McCoy?

CHAIR McCOY: Here.

MR. MOSS: Chair Anderberg, ex-officio, non-voting?

CHAIR ANDERBERG: Here.

MR. MOSS: Again, this is Mike Moss. Chair McCoy, in accordance with Section 7(e) of the Open Meetings Act as amended, a quorum of Members has been constituted.

CHAIR McCOY: Thank you. This is Lyle McCoy. Again, before we begin making our way through today's agenda, I would like to request that each Member mute their audio when possible to eliminate any background noise unless you are making or seconding a motion, voting, or otherwise providing any comments for the record. To mute or unmute your line, you may press *6 on your keypad if you do not have that feature on your phone.

As a reminder, we are being recorded and a court reporter is transcribing today's proceedings. For the consideration of the court reporter, I'd also ask each Member state their name before making or seconding a motion or otherwise providing any comments for the record.

Finally, I would like to confirm that all members of the public attending in person or via audio conference can hear this meeting clearly.

Chris, can you confirm that this audio conference is clearly heard at the physical location of the meeting?

EXECUTIV DIRECTOR MEISTER: Yes, I can. Chair McCoy, this is Illinois Finance Authority Executive Director Chris Meister. I can confirm that I can hear all discussions, presentations, and votes at this Committee meeting location.

I will also note for the record that I am alone on the 10th floor of 160 North LaSalle, although I have talked to the State security guards on the first floor and advised them of the two open meetings that are occurring this morning at 8:30 and 9:30 so they are aware. And if members of the public appear, they will be directed to the 10th floor in the event that they pass all of the building public health and security requirements.

CHAIR McCOY: That's great. Thank you, Chris.

This is Lyle McCoy again. If any members of the public participating via audio conference find that they cannot hear these proceedings, please call (312) 651-1300 or write at info@il-fa.com immediately to let us know, and we will endeavor to solve the audio issue.

Moving forward to Correction and Approval of the Minutes. Does anyone wish to make any additions, edits, or corrections to the Minutes of June 9, 2020?

(No response.)

Hearing none, I would like to request a motion to approve the minutes. Is there such a motion?

MEMBER FUENTES: This is Jim Fuentes. So moved.

CHAIR McCOY: Is there a second?

MEMBER WRIGHT: This is Jeff Wright. Second.

CHAIR McCOY: Thank you. Will the Assistant Secretary please call the roll?

MR. MOSS: This is Mike Moss. On the motion of Member Fuentes and seconded by Member Wright, I will call the roll.

Mr. Fuentes?

MEMBER FUENTES: Yes.

MR. MOSS: Mr. Goetz?

MEMBER GOETZ: Yes.

MR. MOSS: Mr. Hobert?
MEMBER HOBERT: Yes.
MR. MOSS: Ms. Juracek?
MEMBER JURACEK: Yes.
MR. MOSS: Mr. Wright?
MEMBER WRIGHT: Yes.
MR. MOSS: Mr. Zeller?
MEMBER ZELLER: Yes.
MR. MOSS: Committee Chair McCoy?
CHAIR McCOY: Yes.
MR. MOSS: Chair McCoy, the motion passes.
CHAIR McCOY: Thank you. This is Lyle McCoy. As Committee Chair, I would like to ask for the general consent of the Members to consider each of the New Business items collectively and to have the subsequent recorded vote applied to each respective, individual item, unless there are any specific New Business items that a Member would like to consider separately.
Okay. Mr. Frampton, would you please present Item 1.
MR. FRAMPTON: Yes, thank you, Chair McCoy.

Item 1 is a Conduit Recovery Zone Facility Revenue Refunding Bonds request. Staff requests approval of a one-time Final Bond Resolution for Navistar International Corporation in an amount not-to-exceed $225 million.

Bond proceeds will be used to effectuate a combined $225 million refunding bond issued through the Authority that will refund, first, $135 million of outstanding Series 2010 IFA Recovery Zone Facility Bonds, and secondly, $90 million of outstanding Cook County-issued Recovery Zone Facility Bonds. So, as a result, this Bond issue will enable Navistar to consolidate its tax-exempt bond issues with a single conduit issuer.

This refunding will retain the existing October 15, 2040, final maturity dates established on the Series 2010 Bonds by both issuers. Additionally, the Bonds will also retain their interest-only, bullet maturity structure through October 15, 2040.

The proposed refunding bonds will convert the refunded bonds from a fixed rate -- the Series 2010 bonds currently each bear fixed interest rates of 6.75 percent -- to a multi-modal structure.

This will enable Navistar to take advantage of the shorter end of the yield curve for initially multi-year intervals and that will generate interest savings for the company.

The original $135 million of IFA 2010 Bonds enabled Navistar to relocate its corporate headquarters from Warrenville to a larger facility in Lisle and to also relocate its midwest parts distribution facility to a larger location in Joliet.

The $90 million County-issued Series 2010 Bonds financed capital improvements at Navistar's Melrose Park Campus, which includes an engine testing and technical center.

The proposed Series 2020 Refunding Bonds will be underwritten by BofA Securities, Inc., and will be rated by Moody's, which currently assigns -- and this is a correction to the report -- Moody's currently assigns a single B3 rating to Navistar's senior unsecured debt, and because of Navistar's current single B-range rating, which falls below a BBB- investment grade rating, the Series 2020 bonds will be sold in minimum denominations of $100,000 to qualified institutional buyers, all consistent with IFA Bond Handbook requirements. Accordingly, no policy exceptions will be necessary.

Additionally, the outstanding Series 2010 bonds were all originally sold to institutions in minimum denominations of $100,000 consistent with IFA requirements.

Navistar is current on all its payments with respect to both the IFA and Cook County Series 2010 Bonds.

Importantly, the proposed refunding will enable the Authority to help Navistar reduce its ongoing interest expense, thereby helping the company reduce its fixed costs.

One other matter to note: In exception to general IFA policy, due to Navistar's status as a public company, which, of course, is subject to more rigorous SEC regulation and disclosure than IFA's 501(c)(3) not-for-profit or local government borrowers, we authorized a policy exception for Navistar which enabled them to mail and post their Preliminary and Limited Offering Memorandum last Friday, on Friday, July the 10th. Their Preliminary Limited Offering Memorandum is posted on the munios.com website, that's M-U-N-I-O-S.com. So, again, munios.com is where you can find a copy of the Preliminary Limited Offering Memorandum, and I would note that Navistar is awaiting rating assignment, the rating assignment from Moody's.

Just some other background, these recovery zone facility bonds were issued under special provisions that were available in 2009 and 2010 under the American Recovery and Reinvestment Act of 2009, which enabled Conduit Tax-Exempt Bonds to be issued for a wider range of facilities than are generally allowed or generally have been allowed under the Internal Revenue Code since the Tax Reform Act of 1986 passed.

Just in terms of the financials, you can see that Navistar's revenues have been steadily increasing and their performance is noted both by -- noted by net income, EBITDA, and debt service coverage have all been improving. So all the trends have been positive.

Just some initial background on the project. This moved on a very aggressive timetable. I took the initial call on this project back on

June, the 26th. At that time, other -- Navistar was undertaking discussions with multiple potential issuers. They had three asks.

First, they asked us about fees. The IFA fee is noted at the top of page 11. It's a fair fee, both to the company as well as to the Authority.

Secondly, they asked if we could meet their timetable, which would enable them to price the bonds later in July and facilitate a late July or early August closing.

And their final ask was just given their investment grade rating, it made sense for them to -- and their institutional sales focus, it made sense for them to request additional time to have the -- their Preliminary Limited Offering Memorandum public for prospective investors to evaluate.

And we decided that because Navistar is subject to more rigorous SEC reporting, given their status as a public company, that their request was reasonable. So Navistar pulled the trigger and gave authorization to move forward through the Authority on July 1st, and we moved from July 1st to getting -- from a standing start to having substantially complete Bond documents and a Preliminary Limited Offering Memorandum on the street in just seven days. And that's a real testament to Navistar and their entire financing team, including the underwriter, BofA Securities, as well as Bond counsel, Polsinelli, and underwriter's counsel, Nixon Peabody.

Everyone, including the Authority and our counsel, Mayer Brown, really did an excellent job pulling this together quickly.

So just to wrap things up with the Navistar financing, IFA, again, has the opportunity to provide financing to one of Illinois' legacy original equipment manufacturers and one of the State's most prominent private sector employers. As noted in the report, Navistar currently employs approximately 2,761 full-time employees at its various facilities in Illinois.

Does any Member have any questions or comments?

CHAIR McCOY: Hey, Rich. It's Lyle McCoy. I don't think any of us on the phone who deal with the team day-in and day-out are surprised that you could deliver the way you did. It is a compliment to you and your team and to the organization to be able to turn this around so quickly. So congratulations.

MR. FRAMPTON: Thank you very much, Lyle.

CHAIR McCOY: If there are no other comments, I think you are presenting the next one as well.

MR. FRAMPTON: Yes. Item 2 is a Conduit 501(c)(3) request by Provident Group-UIC Surgery Center LLC. Staff requests approval of a Final Bond Resolution for Provident Group-UIC Surgery Center LLC in an amount not-to-exceed $170 million of Lease Revenue Bonds. This project is being presented for one-time consideration.

Bond Proceeds will be used by the Borrower to finance the costs of designing, developing, constructing, and equipping a new, six-story, approximately 200,000-square foot Ambulatory Surgical Center and Specialty Clinics project at UIC Hospitals and Clinics campus.

The project will be located on a site at the southeast corner of West Taylor Street and South Wood Street in the Illinois Medical District and immediately south of the University's 462 bed hospital facility. This new Surgery Center facility will be connected to the hospital by a multi-story skywalk. Additionally, the University expects to contribute additional cash to fund non-bond-financed equipment at the project, and the Bondholders will have no claim on this non-bond-financed equipment. You will note in the sources and uses of funds that contribution by the University was estimated at the time of application at $41 million.

As presently contemplated, the Series 2020 bonds will be publicly offered by an underwriting team comprised of Mesirow Financial, Inc., as Senior Manager, and minority-owned Cabrera Capital Markets LLC serving as Co-Manager.

Although the Bond Resolution authorizes a maximum 40-year final maturity date from the date of issuance, it's anticipated at this time that the Bonds will have a 35-year final maturity date.

The Working Group anticipates the Bonds will be assigned investment grade ratings by one or more of Moody's or S&P; second, bear interest at a fixed interest rate; and thirdly, feature approximately level debt service payments over 33 years, following an approximately two-year, interest-only construction financing period. These terms, of course, may be modified up to the maximum parameters set forth in the IFA Bond Resolution, if deemed necessary or advisable by the Borrower.

Just to touch on quickly the financing structure is detailed on page 4 of the report. This financing will use the same ground lease and sublease structure that is enabled under the Procurement Code to the -- to state universities through Section 53-25 of the Procurement Code.

So the Board of the University System will be executing a ground lease with the Borrower. The Borrower, again, Provident Group-UIC Surgery Center LLC, and in turn, the Borrower, Provident Group-UIC Surgery Center LLC, will be executing a sublease agreement with the Board of the University.

And the principal source of repayment on the lease from the University will be surplus funds that are generated by the University's Health Services Facilities System and that's the basis on which these Bonds will be sold and rated.

The Health Facility Service System is

a separate operating component of the University for debt issuance purposes, although from a legal perspective, the Health Facilities Services System and Hospital are legally part of the University of Illinois system.

Just some background on the RFP and lease concession. The details regarding the RFP that was undertaken by the University is detailed on pages 8 and 9. The University issued the RFP through Requests for Proposal for Concessions, RFP BW No. 11119. And through that procurement, the University selected Ankura Health Care Real Estate to serve as developer of the project and Provident Resources Group to serve as the owner of the project. So Provident and Ankura submitted a joint proposal. The Provident ownership, given their 501(c)(3) status, enables the project to be financed with 501(c)(3) Revenue Bonds. This follows the same model that we have seen over the past 19 months on two other financings for the University of Illinois System, one at UIC in December of 2017, and one that financed two academic buildings at the University of Illinois at Urbana-Champaign in May of 2019.

As presently contemplated, the Series

2020 Project Bonds are expected to close in August. Overall, this will be the ninth P3 financing that IFA and IDFA have undertaken for the ultimate benefit of the Illinois' public universities, and again, it's the third of the University for Illinois System since December of 2017.

Just some background on the financial modeling for the project. Page 18 of the report shows what is expected to be part of the rating agency presentation, and it demonstrates how the surplus revenues of the Hospital and Health Services Facilities System would -- would be sufficient to cover the proposed -- debt service on the proposed Series 2020 Bonds.

Additionally, on pages 19 and 20, I have prepared debt service computations that stress the coverages a bit further. The table on page 2 assumes maximum annual future debt service payments on the outstanding Bonds of the Health Services Facilities System, and on page 20, I also performed a run by increasing the borrowing amount of the Bonds by $10 million compared to the assumptions in Tables 1 and 2. The coverages that staff has computed for 2019 are all strong and in excess of four and a half times. So that gives some indication as to the creditworthiness of the -- of the HSFS system.

Just in terms of the current ratings of the University's Health System, they are currently rated Baa1, which is equivalent to a typically BBB+ rating by Moody's and S&P rates them at single A-.

Just for comparison purposes, for the academic buildings that were -- for the Academic Building Bonds that IFA issued last year, the University itself was rated A1, which is equivalent to an A+ rating by Moody's, and the Bonds issued for the Provident UIUC project that IFA issued had the same A1 or A+ rating that the University's own Bonds had been assigned by Moody's. So all those are factors that support our request. And so, does any Member have any questions or comments?

CHAIR McCOY: Hey, Rich. It's Lyle McCoy. Thanks for your analysis and presentation on this one.

Quick question, we -- the 2017 deal, which had gone to the residence, we called that the residence project, do you have any idea how that's progressed?

MR. FRAMPTON: They started with very strong -- with strong occupancy. Of course, as is the case with all universities with the shutdowns that occurred due to COVID, the University's most recent disclosures, just as with every other university, they have just expressed the fact that visibility isn't good enough to provide any concrete guidance at this point.

CHAIR McCOY: But I guess it's up and built and running and --

MR. FRAMPTON: Yes. Yes, it is.

CHAIR McCOY: Subject to the elements that we're all living through now.

MR. FRAMPTON: Yes. It was completed on time.

CHAIR McCOY: Okay. Great. If there are no other questions, I think we can move on to Ms. Perugini for Sarah Bush Lincoln Health Center.

MS. PERUGINI: Good morning, everyone. Item No. 3, which starts on page 74 of your PDF, is a Final Resolution for a not-to-exceed amount of $28.5 million for Sarah Bush Lincoln Health Center, who is the Borrower. Bond proceeds will be used by the Borrower to refund the Series 2015 Bonds, outstanding in the approximate amount of $27.7 million and also for costs of issuance. This is the first time this has been presented to the Board, and it's a one-time final Resolution.

Under Borrower description, there are details about the 145 licensed bed hospital in Mattoon, Illinois, operated by the Borrower, and also information on its extended campus primary care services and walk-in clinics.

The Borrower has a total of 2,450 employees and approximately 2,000 of those are full-time.

Under credit indicators and structure, you will see that the Borrower that has an underlying rating of A+ by S&P, but these Bonds will not carry a rating. The Bonds, as contemplated, will be a bank direct purchase by JP Morgan Chase Bank National Association. Initial sale and secondary market resale of the Bonds will be limited to accredited investors and/or Qualified Institutional Buyers, in minimum denominations of $100,000, and would thereby be sold in a manner consistent with existing IFA Bond Handbook requirements applicable to the sale of non-rated Bonds.

The Bonds will be secured by an obligation of the Borrower issued under a Master Indenture, which includes a gross revenue pledge and negative pledge on assets. And at the bottom of page 1, you will see the estimated sources and uses.

Skipping to the bottom of page 75 of the PDF, you will see some interest rate information. The interest rate will be fixed for an initial 10-year term and is expected not-to-exceed 3 percent. The rate has not yet been locked in, as they are still in negotiations over the terms of documents with the bank.

On page 77 of the PDF, you will see the board members and professional and financial team information.

On page 78 of the PDF is a service area map. The blue county, which is Coles County, is the primary service area, and the gray counties surrounding are the secondary service areas.

On page 79 of the PDF begins the confidential information and it starts with the IFA fee.

Following are the audited financials for the fiscal years ended June 30, 2017 through 2019, as prepared by BKD, LLP as auditors for Sarah Bush. Also provided are the unaudited financials for the period ended May 31, 2020, so 11 months. And the System serves as parent and sole corporate member to the controlled affiliates, including the Borrower.

Overall, you can see the Health Center has a strong balance sheet and has exhibited consistently good operating performance and strong debt service coverage as expected by an A+ rated entity. The sound balance sheet is evidenced by a strong liquidity position as exhibited by the days cash and a relatively low debt load.

The Health Center has posted consistent revenue growth since 2010. While net income, or the change in unrestricted net assets, has trended downward over the past three years, the cash flow continues to remain at a stable pace. This slight trend downward of the change unrestricted net assets in recent years is due to the Borrower's growth compounded with the additional expenses that the Borrower generated to meet the

System's demand growth -- excuse me -- growth demand.

The increase in other long-term liabilities is related to the Borrower's Deferred Compensation Program. So as more individuals become eligible for the benefit program, the corresponding liability leads to an increase.

And since Fiscal Year 2019, the Borrower has allocated $34 million of cash and cash equivalent under Current Assets to Investments. The Borrower has sufficient operating cash flow to provide strong debt service coverage of at least 5.6 times or better over the past four years.

On page 80 of the PDF, there's a narrative about the impact of COVID-19 on the Borrower's operations. The unaudited financials that we included are through May 2020 so the impact is also reflected there.

And simultaneously, with the issuance of these Bonds, the Borrower plans to borrow up to $35 million in a fixed rate taxable note to finance new money projects, including construction of a medical office building in Effingham, enhancements to the facade on the main hospital, and other various equipment purchases. This note will be directly placed with First Mid Bank. In addition, the Borrower is extending the final maturity of an existing taxable note with First Mid Bank, approximately $5.2 million is outstanding, and that term will be extended from 2022 to 2026.

The purpose of this refunding is not to generate a net present value savings. Just given the low fixed interest rate environment, the Borrower would like to reduce variable rate exposure in its debt portfolio and lock in fixed rates.

Does any Member have any questions or comments?

CHAIR McCOY: Thank you. I think we're good. Thank you very much.

I think now, Mr. Fletcher. I think it's Item 4, Wolcott School.

MR. FLETCHER: Hi, Good morning, everyone. This is Brad Fletcher. Tab number 4 in your Board Books is a Bond Resolution on behalf of Wolcott School, located in Chicago's West Town neighborhood, which is currently doing business as Wolcott College Preparatory High School.

The school issued its $3 million Bond

through IFA in June 2012 in order to debt finance a portion of the $10 million construction costs associated with building a new private high school at 524 North Wolcott Avenue to serve children with the learning differences.

The Borrower and MB Financial Bank at the time had agreed to a variable interest rate for an initial term of ten years, otherwise ending in June 2022, which variable rate was synthetically fixed through an Interest Rate Swap Agreement.

The outstanding principal amount of the Series 2012 Bond was approximately $2,270,000 as of June 1st. At this time, the Borrower and Fifth Third Bank, as successor to MB Financial Bank, have agreed more than two years prior to the existing expiration of the initial term to a three-year extension, taking their banking relationship from now and through June 15, 2025.

During this forthcoming five-year term, the interest rate will a true fixed rate that is significantly less than the current costs associated with the previous variable rate and swap agreement. Accordingly, the swap agreement will be terminated at an anticipated cost of at least

$66,000 according to Fifth Third Bank.

Finally, the final maturity of the Series 2010 Bonds is being extended by 17 years in connection with this re-issuance. In 2012, the Borrower and the Bank had agreed to a 25-year amortization with a balloon payment and principal due at the end of 10 years. Now, the principal repayment schedule will be smoothed over the remaining life of the Bond and the new final maturity date will be June 15, 2037, which is 25 years from 2012, or the original dated date of the Series 2012 Bonds.

The Authority conducted a TEFRA hearing this past Friday as required by federal law to effectuate these amendments being requested by the Borrower and the Bank. No public comments were submitted for the hearing.

The Authority is being asked for our consent and approval of this Resolution, will authorize the execution and delivery of the first amendment to the Bond and Loan Agreement, and approve related documents including a re-issued Bond.

Closing of this amendment is

scheduled for later this month and our fee is listed on the top of page 6 of the report in the confidential section where we also provided a snapshot of their recent operating history regarding their income statement as well as their balance sheet.

I would be happy to take any questions.

(No response.)

CHAIR McCOY: Okay. Thank you. We can move forward. Ms. Perugini, you're back on deck again for SwedishAmerican Hospital.

MS. PERUGINI: Thank you. Sara Perugini again, presenting Item No. 5 in your Board Book, which starts on page 88 of the PDF. It is a Memo and Resolution for SwedishAmerican Hospital, the Borrower, which details amendments it would like to make to its Series 2010 Bonds and accompanying documents. The Series 2010 Bonds were re-issued pursuant an Amended and Restated Loan Agreement into two series in 2016 and are currently outstanding in the amount of approximately $12.5 million. The Series 2010 Bonds are held by Illinois Bank and Trust, who is the lender.

The Loan Agreement incorporates by reference a debt service coverage ratio covenant that is inconsistent with the Borrower's current Master Indenture. In order to streamline the reporting of its debt service coverage ratio covenant and to make it consistent with its current Master Indenture, the Borrower has requested that the Authority and the Lender amend the loan agreement in order to remove a provision that was incorporated by reference utilizing the different rate covenants. The incorporated covenant calculated debt service coverage on the basis of MADS, while the current Master Indenture calculates the covenant on a historical basis. The Lender has agreed to and will be a party to the Amendment.

The proposed Authority Resolution approves the execution by the Authority of an Amendment to the Loan Agreement containing the amendments described above.

The Authority's estimated fee as well as a snapshot of the SwedishAmerican Hospital and Subsidiary financials are also included in the PDF.

I would be happy to take any questions or comments.

(No response.)

CHAIR McCOY: Thanks, Sara. I think we're good.

MS. PERUGINI: Thank you.

Moving forward, Ms. Weber.

MS. WEBER: Good morning. I am presenting Item 6. This is a Resolution relating to taxable Series 2017D Bonds previously issued by the Authority to partially finance a project consisting of a research building and associated parking facilities located on the campus of Rosalind Franklin University of Medicine and Science in North Chicago, Illinois.

In 2018, to implement a new market tax credits program, TUFF RFUMS 1 LLC, the Borrower of the taxable Bond proceeds loaned a portion of the proceeds to RFU LLC pursuant to a Subloan Agreement.

Due to the successful early completion of the project, payments under a lease with Rosalind Franklin University began while capitalized interest was still available to pay the Bonds, resulting in excess funds going to the Borrower. The Borrower now desires to loan a portion of the excess funds to RFU LLC under the

Subloan Agreement, and the parties desire to amend the Subloan Agreement to increase the principal amount of the loan and to decrease the interest rate without changing the monthly amounts due.

The parties are seeking the Authority's consent to the Amendments as required by the Subloan Agreement. The proposed Amendments to the Subloan Agreement will not impact the amount of debt service to be received by Bondholders or affect the rights of Bondholders.

Please note that the Resolution for this item sent to your attention via email supersedes the Resolution in the Board Book.

Does any Member have any questions or comments?

(No response.)

CHAIR McCOY: Thank you, Elizabeth. Appreciate it.

Moving forward, this is Lyle McCoy. As Committee Chair, I would like to request a motion to recommend for approval of the following New Business items: Items 1, 2, 3, 4, 5 and 6. Is there such a motion?

MEMBER HOBERT: This is Will Hobert. So

moved.

MEMBER JURACEK: This is Arlene Juracek. I second.

CHAIR McCOY: Thank you. That was Arlene?

MEMBER JURACEK: Yes.

CHAIR McCOY: Thank you. Will the Assistant Secretary please call the roll?

MR. MOSS: This is Mike Moss.

On the motion by Member Hobert, seconded by Member Juracek, I will call the roll.

Mr. Fuentes?

MEMBER FUENTES: Yes.

MR. MOSS: Mr. Goetz?

MEMBER GOETZ: Yes.

MR. MOSS: Mr. Hobert?

MEMBER HOBERT: Yes.

MR. MOSS: Ms. Juracek?

MEMBER JURACEK: Yes.

MR. MOSS: Mr. Wright?

MEMBER WRIGHT: Yes.

MR. MOSS: And Mr. Zeller?

MEMBER ZELLER: Yes.

MR. MOSS: Committee Chair McCoy?

CHAIR McCOY: Yes.

MR. MOSS: Chair McCoy, the motion passes.

CHAIR McCOY: Thank you very much. Again, this is Lyle McCoy. Is there any other business to come before the Committee?

(No response.)

Hearing none, is there any public comment for the Committee?

(No response.)

Again, hearing none, I would like to request a motion to adjourn. Additionally, when responding to the roll call for this motion, I would ask that each Member to confirm that they were able to hear the participants, discussion, and testimony of this proceeding. Is there such a motion?

MEMBER GOETZ: This is Mike Goetz. So moved.

CHAIR McCOY: Second?

MEMBER ZELLER: Brad Zeller. Second.

CHAIR McCOY: Thank you. Will the Assistant Secretary please call the roll?

MR. MOSS: This is Mike Moss. On the motion by Member Goetz and seconded by Member

Zeller, I will call the roll.
Mr. Fuentes?
MEMBER FUENTES: Aye, and I confirm that I could hear all participants, discussion, and testimony.
MR. MOSS: Mr. Goetz?
MEMBER GOETZ: Yes, and I confirm that I could hear all participants, discussion, and testimony.
MR. MOSS: Mr. Hobert?
MEMBER HOBERT: Aye, and I confirm that I could hear all participants, discussion, and testimony.
MR. MOSS: Ms. Juracek?
MEMBER JURACEK: Aye, and I confirm I could hear all participants, discussion, and testimony.
MR. MOSS: Mr. Wright?
MEMBER WRIGHT: Aye, and I confirm that I could hear all participants, discussion, and testimony.
MR. MOSS: Mr. Zeller?
MEMBER ZELLER: Aye, and I confirm that I was able to hear all participants, discussion, and

testimony.

MR. MOSS: Committee Chair McCoy?

CHAIR McCOY: Aye, and I confirm that I could hear all participants, discussion, and testimony.

MR. MOSS: This is Mike Moss again. Chair McCoy, the motion is adopted. The time is 9:14 a.m.

CHAIR McCOY: Thank you, everybody, for your time today.

(WHEREUPON, which were all the proceedings had in the above entitled cause.)

(Meeting adjourned at 9:14 a.m.)

REPORTER CERTIFICATION.

I, JO ANN LOSOYA, a Certified Shorthand Reporter of the State of Illinois, do hereby certify that I reported in shorthand the proceedings had at the hearing aforesaid, and that the foregoing is a true, complete and correct transcript of the proceedings of said hearing as appears from my stenographic notes so taken and transcribed under my personal direction.

IN WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this August 3, 2020.

Jo Ann Losoya

JO ANN LOSOYA
C.S.R. No. 084-002437

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