ILLINOIS FINANCE AUTHORITY

December 8, 2016
9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building
160 North LaSalle Street
Suite S-1000
Chicago, Illinois 60601

I. Call to Order & Roll Call
II. Approval of Agenda
III. Chairman's Remarks
IV. Message from the Executive Director
V. Consideration of the Minutes
VI. Presentation and Consideration of Financial Reports
VII. Monthly Procurement Report
VIII. Committee Reports
IX. Presentation and Consideration of the Project Reports and Resolutions
X. Other Business
XI. Public Comment
XII. 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	Ben John Emmerich	North Muddy Township (Jasper County)	$135,000	-	-	PE/LK
	TOTAL AGRICULTURE PROJECTS		**$135,000**	-	-	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final*						
2	Southern Illinois Healthcare Enterprises, Inc.	Carbondale, Murphysboro (Jackson County) and Herrin (Williamson County)	$150,000,000	-	300	PL
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
3	Swedish Covenant Hospital	Chicago (Cook County)	$50,800,000	N/A	N/A	PL
4	Covenant Retirement Communities, Inc.	Batavia (DuPage County), Carol Stream and Northbrook (Cook County) and Westminster, Colorado	$55,000,000	N/A	N/A	PL
	TOTAL HEALTHCARE PROJECTS		**$255,800,000**	N/A	N/A	
	GRAND TOTAL		**$255,935,000**	**N/A**	**N/A**	

RESOLUTIONS

Tab	Action	Staff
Resolutions		
5	Resolution Authorizing the Issuance of Not To Exceed $10,000,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2016 (Lake Forest Open Lands Association), the Proceeds of which are to be Loaned to Lake Forest Open Lands Association and Lake Forest Land Foundation	RF/BF
6	Resolution Authorizing the Issuance of not to exceed $20,200,000 Principal Amount Illinois Finance Authority Revenue Bonds, Series 2016 (Elmhurst College); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters	RF/BF
7	Resolution Authorizing the Amendment of the Loan Agreement Dated as of July 1, 2010 with the Institute for Transfusion Medicine and Affiliated Companies Related to the $26,500,000 Illinois Finance Authority Revenue Bonds, Series 2010 (The Institute for Transfusion Medicine) and Related Documents; and Approving Related Matters	PL
8	Resolution Appointing the Executive Director of the Illinois Finance Authority	EW

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: December 8, 2016

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

Annual Appointment of the Executive Director

Since 2009 and pursuant to Illinois law, the Authority has considered the appointment of its Executive Director at its December meeting. In January 2016, the Authority delegated matters relating to the selection, evaluation and compensation of the Executive Director to the Authority's Executive Committee. With respect to this matter, the Authority Act states:

> From nominations received from the Governor, the members of the Authority shall appoint an Executive Director who shall be a person knowledgeable in the areas of financial markets and instruments, to hold office for a one-year term. The Executive Director shall be the chief administrative and operational officer of the Authority and shall direct and supervise its administrative affairs and general management and perform such other duties as may be prescribed from time to time by the members and shall receive compensation fixed by the Authority. The Executive Director or any committee of members may carry out such responsibilities of the members as the members by resolution may delegate.
>
> 20 ILCS 3501/801-15

Public service is a privilege. I am proud of the positive impact that the work of Authority has had on the people of Illinois over the past twelve months. This success is due to the leadership of the Board as well as the diligence and professionalism of my staff colleagues. I humbly ask Governor Rauner, Chair Funderburg and all of the members of the Authority for the opportunity to hold office as Authority Executive Director for another one-year term.

Calendar Year 2016 Authority Accomplishments

In the twelve months between December 1, 2015 and November 30, 2016, the Authority issued $4.48 billion in ***federally tax-exempt conduit bonds*** ("conduit bonds") on behalf of over 37 borrowers. $1.88 of this $4.48 billion in conduit bonds represents new investment and construction in capital infrastructure. In addition to our standard monthly financial reports that can be found under the

Financials tab of the monthly book, I have enclosed hereto a list of closed conduit bond projects for the past twelve months to this Message. While all of the Authority's conduit bonds are important, the following 2016 projects stand out either as having a major impact or being representative of a broader sector:

• ***Presence Health Network***	NE/EC Illinois	$1 billion	August
		$ 528 million	May
"<u>Winner 2016 Bond Buyer Healthcare Deal of the Year</u>"			
• ***Clean Water Initiative (IEPA/SRF)***	State-wide	$ 500 million	September
• ***CenterPoint Joliet Terminal***	Joliet	$ 100 million	January
• ***Mercy Health***	Rockford	$ 475 million	May
• ***Adler University***	Chicago	$ 19.1 million	March
• ***Park Place***	Elmhurst	$ 146.1 million	April
• ***DePaul University***	Chicago	$ 68.7 million	April
		$ 122.9 million	September
• ***American Academy of Pediatrics***	Elk Grove	$ 50 million	June
• ***Better Housing Foundation***	Chicago	$ 13.6 million	July
• ***OSF Healthcare***	Central IL	$ 114.4 million	September
• ***The Moorings***	Arlington Hts	$ 70 million	September
• ***Carle Foundation***	Champaign	$ 234.4 million	November
• ***Ness Healthcare***	multistate	$ 31.2 million	November

Our December agenda is no different from the past twelve months. We are proud to present conduit bond projects and transactions with impact across Illinois: ***Southern Illinois Healthcare***, ***Swedish Covenant Hospital***, ***Covenant Communities***, ***Lake Forest Open Lands Association*** and ***Elmhurst College***.

<u>The Power of Conduit Bonds:</u>

With discussion in Washington D.C. fully focused on federal tax reform, it is vital we can clearly communicate the power of conduit bonds to positively impact our state and our country.

Issuing conduit bonds is the Authority's primary tool to positively impact the lives of our fellow Illinois citizens. The Authority issues conduit bonds mainly on behalf of non-profit borrowers for capital infrastructure projects in the hospital, education, cultural, senior living, and government (clean water) sectors as allowed by the federal tax code and State law. The Authority also issues conduit bonds on behalf certain individuals and for-profit companies (beginning farmer bonds; manufacturing bonds; solid waste bonds; certain intermodal transportation bonds). In recent years, these "for-profit" projects have been fewer in number and dollar volume but remain important due to their job and economic development impact.

From a credit and security perspective, tax-exempt conduit bonds generally pose ***<u>no (or little) risk</u>*** to the Authority's funds and reputation because:

(i) the key credit decision is made by a private lender(s), either bond buyers or banks making a direct purchase of conduit bonds, NOT by the Authority or another public actor, and

(ii) it is the borrower's decision to move forward with borrowing to finance a capital infrastructure project.

With a conduit bond, the borrower, not the Authority, undertakes the obligation to repay. Conduit bonds issued by the Authority ***do not create any debt or obligation,*** either direct (general obligation) or contingent (moral obligation) to Illinois taxpayers.

Conduit bonds harness the private capital markets by providing a material federal economic benefit, generally lower interest rates and longer maturities, to not-for-profit but sometimes for-profit and public borrowers for capital infrastructure projects providing a benefit to our society at large. Such economic and social benefits include, but are not limited to, healthcare, clean water, elementary and higher education, senior living, cultural benefits, low income housing, as well as manufacturing and farm jobs. Conduit bonds are truly a "private-public partnership" that provide tangible economic benefits that materially improve the quality of life for Americans no matter where they live or what their income is.

Senate Confirmation

Finally, please join me in congratulating John Yonover on his confirmation by the Illinois Senate on November 30, 2016.

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

Respectfully,

____

Christopher B. Meister
Executive Director

Enclosures: 1. Bonds Issued Previous 12 Months as of November 30, 2016

Bonds Issued and Outstanding
as of
November 30, 2016

Bonds Issued between Dec 01, 2015 and November 30, 2016

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginning Farmer Bonds	12/01/2015	Variable	713,925	0
CCRC	Norwegian Lutheran Bethesda Home Association	12/16/2015	Variable	7,517,000	582,446
E-PC	Intrinsic Schools-Belmont School Project	12/17/2015	Fixed at Schedule	21,855,000	0
A-BFB	Beginning Farmer Bonds	01/01/2016	Variable	2,248,220	0
E-PC	Loyola Academy	01/26/2016	Variable	21,743,000	21,500,000
IRB	CenterPoint Joliet Terminal Railroad, LLC	01/28/2016	Variable	100,000,000	0
HO	UnityPoint Health	02/08/2016	Variable	51,220,000	51,220,000
501(c)(3)	Chicago Shakespeare Theater	02/11/2016	Variable	15,100,000	4,100,000
E-PC	University of St. Francis	02/23/2016	Variable	15,000,000	0
CCRC	Christian Homes	03/10/2016	Fixed at Schedule	29,885,000	11,160,000
E-PC	Adler University Project	03/28/2016	Fixed at Schedule	19,100,000	0
CCRC	Park Place of Elmhurst	04/01/2016	Fixed at Schedule	146,125,000	122,030,000
E-PC	DePaul University	04/13/2016	Fixed at Schedule	68,735,000	0
LG	Community Unit School District 3	04/15/2016	Variable	14,540,000	0
CCRC	Presbyterian Homes	04/02/2016	Fixed at Schedule	102,945,000	102,945,000
501(c)(3)	Association House of Chicago	04/27/2016	Variable	5,765,000	4,611,281
501(c)(3)	Mercy Health Corporation	05/18/2016	Fixed at Schedule	475,020,000	0
HO	Presence Health Network	05/26/2016	Variable	528,150,000	352,675,000
HO	UnityPoint Health	06/07/2016	Fixed at Schedule	45,820,000	21,990,000
HO	Northwest Community Hospital	06/15/2016	Fixed at Schedule	136,690,000	136,690,000
E-PC	Lake Forest Academy	06/21/2016	Variable	16,415,000	16,255,000
501(c)(3)	American Academy of Pediatrics	06/24/2016	Variable	50,000,000	0
HO	Rush University Medical Center	06/29/2016	Variable	50,000,000	50,000,000
A-BFB	Beginning Farmer Bonds	07/01/2016	Variable	944,400	0

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Bonds Issued between Dec 01, 2015 and November 30, 2016

E-PC	Illinois Wesleyan University	07/13/2016	Fixed at Schedule	56,775,000	56,775,000
501(c)(3)	Better Housing Foundation	07/29/2016	Fixed at Schedule	13,560,000	0
E-PC	Mount Carmel High School	08/01/2016	Variable	22,000,000	13,200,000
HO	The Newman Foundation	08/02/2016	Variable	32,667,000	32,667,000
HO	Presence Health	08/16/2016	Fixed at Schedule	1,000,000,000	1,000,000,000
CCRC	Smith Village	08/17/2016	Variable	32,500,000	32,500,000
501(c)(3)	The Art Institute of Chicago	08/25/2016	Fixed at Schedule	37,250,000	37,250,000
E-PC	DePaul University	09/01/2016	Fixed at Schedule	122,780,000	115,000,000
LG	Clean Water Initiative	09/12/2016	Fixed at Schedule	500,000,000	0
HO	OSF HealthCare System	09/27/2016	Fixed at Schedule	114,375,000	100,710,000
HO	Riverside Medical Center	09/27/2016	Fixed at Schedule	79,545,000	79,545,000
HO	The Moorings of Arlington Heights, LLC	09/30/2016	Fixed at Schedule	69,615,000	0
501(c)(3)	Museum of Contemporary Art Chicago	10/27/2016	Variable	30,000,000	0
HO	The University of Chicago	11/02/2016	Fixed at Schedule	187,320,000	187,320,000
HO	The Carle Foundation, Seiries 2016A	11/08/2016	Variable	184,385,000	56,000,000
HO	The Carle Foundation, Series 2016B-Taxable	11/08/2016	Variable	50,000,000	0
HO	Ness HealthCare NFP	11/10/2016	Fixed at Schedule	31,490,000	0
		Total Bonds Issued as of November 30, 2016		$ 4,489,793,545	$ 2,606,725,727

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.

IFA
ILLINOIS FINANCE AUTHORITY

Beginner Farmer Bonds Funded between December 01, 2015 and November 30, 2016

Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
12/11/2015	3.25	230,000	33.00	Whiteside
12/29/2015	3.00	483,925	74.45	Henry
03/01/2016	3.50	333,500	86.44	White
03/04/2016	3.50	192,500	110.00	White
03/04/2016	3.25	79,375	40.00	Hamilton
03/04/2016	3.25	79,375	40.00	Hamilton
03/24/2016	3.25	176,970	68.00	Jasper
04/21/2016	3.25	301,000	80.00	Stark
05/19/2016	2.50	520,000	153.50	Clinton
05/26/2016	3.25	300,000	80.00	Jasper
06/23/2016	3.25	153,000	60.00	Jasper
06/30/2016	3.25	112,500	22.00	Jasper
07/29/2016	3.25	122,400	40.00	Jasper
09/08/2016	3.00	83,750	45.00	Richland
09/08/2016	3.25	401,000	45.00	Edgar
09/15/2016	3.25	47,500	40.00	Clay
09/15/2016	3.25	47,500	40.00	Clay
11/01/2016	3.25	242,250	99.55	Richland
Total Beginner Farmer Bonds Issued		$ 3,906,545	1,156.94	

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
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Date: December 8, 2016

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

Subject: ***Minutes of the November 10, 2016 Regular Meeting***

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the "**Minutes**") in connection with the regular meeting of the Members of the Illinois Finance Authority (the "**Authority**"), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of November in the year 2016, 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**").

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting's agenda:

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
Thursday, November 10, 2016
9:30 AM

AGENDA:

I. Call to Order & Roll Call
(page 3, line 1 through page 5, line 7)
II. Approval of Agenda
(page 5, lines 8 through 18)
III. Chairman's Remarks
(page 5, line 19 through page 6, line 1)
IV. Message from the Executive Director
(page 6, line 2 through page 7, line 12)
V. Consideration of the Minutes
(page 7, lines 13 through 24)
VI. Presentation and Consideration of Financial Reports
(page 8, line 1 through page 20, line 20)
VII. Monthly Procurement Report
(page 20, line 20 through page 32, line 13)

VIII. Committee Reports
(page 32, lines 14 through 23)
IX. Presentation and Consideration of the Project Reports and Resolutions
(page 32, line 24 through page 52, line 18)
X. Other Business
(page 53, lines 3 through 12)
XI. Public Comment
(page 52, line 19 through page 53, line 2)
XII. Adjournment
(page 53, line 13 through page 54, line 11)

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President

Enclosures: 1. Minutes of the November 10, 2016 Regular Meeting
2. Voting Record of the November 10, 2016 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR session

November 10th, 2016 at 9:31 a.m.

Report of Proceedings had at the Regular Meeting of the Illinois Finance Authority on November 10th, 2016, at the hour of 9:30, a.m., pursuant to notice, at 160 North LaSalle Street, Suite S1000, Chicago, Illinois.

APPEARANCE:

ILLINOIS FINANCE AUTHORITY MEMBERS

11-10-16-2.txt

MR. R. ROBERT FUNDERBURG, Chairman
MR. ERIC ANDERBERG
MR. JAMES J. FUENTES
MR. R. ROBERT HORNE (via audio conference)
MS. ARLENE JURACEK
MR. LERRY KNOX
MS. GILA J. BRONNER
MR. MICHAEL W. GOETZ
MR. ROGER POOLE
MR. LYLE McCOY
MR. TERRY O'BRIEN
MS. BETH SMOOTS
MR. JOHN YONOVER
MR. GEORGE OBERNAGEL

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. BRAD FLETCHER, Assistant Vice-President
MR. RICH FRAMPTON, Vice-President
MS. PAMELA LENANE,Vice-President
MS. ELIZABETH WEBER, General Counsel
MS. XIMENA GRANDA, Controller
MR. CHRISTOPHER B. MEISTER, Executive Director
MR. PATRICK EVANS, Agricultural Banker (via audio conference)
MS. DENISE BURNS, Deputy General Counsel

MARZULLO REPORTING AGENCY (312) 321-9365

CHAIRMAN FUNDERBURG: Good morning, everyone. I would like to go ahead and call to order our Illinois Finance Authority meeting. Thank you all for coming today.

We'll go ahead and get started. I would like to ask for roll.

FLETCHER: Certainly. The time is 9:32. I'll call the roll of Members physically present in the room first. Mr. Anderberg?

ANDERBERG: Here.

FLETCHER: Ms. Bronner?

BRONNER: Here.

FLETCHER: Mr. Fuentes?

FUENTES: Here.

FLETCHER: Mr. Goetz?

GOETZ: Here.

FLETCHER: Ms. Juracek?

MS. JURACEK: Here.

FLETCHER: Mr. Knox?

KNOX: Here.

FLETCHER: Mr. McCoy?

McCOY: Here.

FLETCHER: Mr. Obernagel?

OBERNAGEL: Here.

FLETCHER: Mr. O'Brien?

O'BRIEN: Here.

FLETCHER: Mr. Poole?

POOLE: Here.

FLETCHER: Ms. Smoots?

SMOOTS: Here.

FLETCHER: Mr. Yonover?

YONOVER: Here.

FLETCHER: Chairman Funderburg?

CHAIRMAN FUNDERBURG: Here.

FLETCHER: Mr. Chairman, a quorum of members

physically present in the room has been constituted.

I would like to ask if any Members would like to attend via audio conference at this time?

HORNE: Yes. This is Bob Horne calling in for audio conference. I'm away on employment purposes.

CHAIRMAN FUNDERBURG: Okay. Mr. Horne on the phone. Is there a motion to approve the request pursuant to the bylaws and policies of the Authority?

BRONNER: So moved.

JURACEK: Second.

CHAIRMAN FUNDERBURG: All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Thank you, guys. The ayes have it.

FLETCHER: Mr. Chairman, Member Horne has been added to the initial quorum roll call.

CHAIRMAN FUNDERBURG: Okay. At this point, I would like to ask if there are any additions, edits, corrections to today's agenda? If not, I would like to go ahead and ask for a motion to approve it.

GOETZ: So moved.

KNOX: Second.

CHAIRMAN FUNDERBURG: Seconded by Mr. Knox. All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Under my remarks, I would just like to share, not to have a spoiler alert, I've got some really exciting good news that we'll be sharing later today. Executive Director Meister will be speaking about that.

At this point, I would like to hand things

over to you.

MEISTER: Thank you, Mr. Chairman. Again, at 11:00 o'clock this morning, there will be a national award announced for an Authority project. I can't share it at this time yet.

All I can tell you is that I'm very grateful to the volunteer Members of the Authority because the facts of this particular transaction were made possible by your commitment and responsiveness to the needs of our borrowers.

So I will thank you in advance. I'd also like to compement Rich Frampton for his work on the MJH/Fulerton Village project that you will here later this morning. At 11:00 o'clock this morning, the news will be public. As Conduit Committee Vice-Chairman Lyle McCoy knows, as well as the other Members Of the Conduit Committee, this is a complex and very detailed transaction, and Rich has done a remarkable job at pulling all of those details together and presenting them in a cogent fashion.

I also want to just highlight one other project. One of the great things about being involved with this organization is playing a small role in important projects that have important

impact across the State.

As we speak, the Carle transaction that was approved by this Board within the last couple of months is closing, and one of the things that I think the Board Members and the people of Illinois will be hearing about in the future is the new medical school tied to the University of Illinois Engineering School that Carle is a big part of.

And so, again, the work of the Authority, the work of the Members, contributes in a small way to making some of these really innovative impact goal accomplishments occur. So thank you.

CHAIRMAN FUNDERBURG: Okay. All right, thank you. Next I would like to ask if there are any additions or corrections to minutes of our prior meeting? No? Okay? If not, then is there a motion to approve them?

BRONNER: So moved.

OBERNAGEL: Second.

CHAIRMAN FUNDERBURG: Seconded by Mr. Obernagel. All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay. Ms. Granda.

GRANDA: Good morning, everyone. I will be presenting the financial statements for October 31st of 2016. The financial analysis and the financial statements are in your Board books.

Our total annual revenue equals $2.2 million and are $648,000 or 40.8 percent higher than budget. That is primarily due to the higher closing fees.

In October, the Authority generated $214,000 in closing fees, which is $77,000 lower than our monthly budget of $291,000. Our annual expenses equals $1.1 million and are $591,000 or 35.8 percent lower than budget, which is mostly driven by our vacant budget staff positions and a reduction in our professional services.

Occupancy costs fell by $24,000 or 18 percent. We are now seeing the cost savings as a result of the Chicago office relocation to the Bilandic Building. The savings resulting from the relocation is greater than $24,000 in fiscal year 2015.

Our occupancy cost included a one-time cost for moving and leasehold improvements. For

comparison purpose, our total rent expense of the Prudential space, including property tax allocation

for fiscal year 2014, was at $235,000.

In fiscal year 2015, our rent expense at the Bilandic Building was only $98,000, which is a savings of $137,000. While discussions are preliminary and subject to change, CMS has no plans to move the Authority to another location.

In October, the Authority recorded operating expenses of $253,000, which is lower than the monthly budgeted amount of $412,000. The decrease again is primarily due to employee related expenses and professional services.

Our total monthly net income for October was only $69,000. The total annual net income currently is at $1.3 million. The major driver of the annual profitable bottom line continues to be the overall spending of 35.8 percent below budget as well as higher proceeds and administrate fees.

The Authority continues to maintain a strong balance sheet. The general fund has a net position of $55.1 million. Total assets are at $55.5 million, mostly are consisting of cash investment and receivables. Our unrestricted cash

and investment totals $36.4 million.

The State of Illinois assigned purchase receivable balance is at $556,000. In the month of October, the Authority received $4,000 in payments. To date, the Authority has received $4.4 million in principal payments, and roughly about $128 in prompt payment interest.

This schedule is found under your Board packet. We are working with GOMB, CMS and other state agencies to get the balance of $556,000 and the accrued prompt payment interest paid and reconciled as soon as possible. Due to an accounting rule interpretation in fiscal year 2008, the Authority has continually carried the state revolving clean water initiative bonds in the Authority's balance sheet.

In September 12 of 2016, you may recall the Authority issued a $500,000,000 bond issue on behalf of our sister agency, the Illinois Environmental Protection Agency. This means that since September 2016, our balance sheet increased to the full size of the 2016 bond issue of $589,000,000.

Towards the end of September, the

Authority gave direction to Clear Arc investment manager, to start investing the $589,000,000 of bond proceeds. To date, Clear Arc has invested roughly about $456,000,000 from the bond proceeds in various short-term securities, with maturity dates ranging from November 15 to December 31st of 2016, per direction of the Illinois Environmental Protectioin Agency.

I anticipate that investment portfolio for the IEPA will be a regular item on my report going forward. The full work for fiscal year 2016

financial audit conducted by RSM concluded on October 28th. We have submitted our management discussion and analysis letter for 2016 also on October 28th.

Late yesterday, we did receive some comments from the auditors on the financial audit and the MD&A were very cosmetic.

Now I would like to take this opportunity just to provide some preliminary activities that are coming up in November. We anticipate closing fees for UCMC in the amount of 193, the Carle Foundation for $190,000, and the Ness for about $43,000.

Also in November, one of our conduit

bonds, the Clinic in Altgeld, which was tied to a State appropriation with a maturity of November 15th. One of predecessor authorities provided $600,000 as a debt service. We anticipate that once this bond is matured and paid off, the restriction on these bonds will be freed up and returned to the Authority.

On our last Board meeting, a listing of our local government loans was provided. One of our loans, the Village of Thomson, has challenges that are tied to the State budget.

It's our understanding from the borrower that certain budgetary payments have been made, and the payment for -- the February payment will be made on time.

Is there any questions?

O'BRIEN: Yes, I have a question. I'm curious on page 2 of 4 near the bottom where they talk about transfers in from other funds and transfers out to other funds, could you give an explanation for that?

GRANDA: Yes, that's actually our State receivables. For accounting purposes, we divided the State receivables.

O'BRIEN: I'm talking about State receivables.

GRANDA: The State receivables are --

MEISTER: Here, this was the purchase of certain --

O'BRIEN: IOUs?

MEISTER: Yes. Certain IOUs with Authority general funds.

O'BRIEN: So when you send the money out, and now it's coming back, what do you get, a note?

MEISTER: It's an assignment agreement.

O'BRIEN: You don't get cash?

MEISTER: Actually, we have been getting cash back. It is the summary is --

YONOVER: It doesn't look like it's going down. It looks like the same number from last month.

MEISTER: Yes.

GRANDA: Yes.

YONOVER: What's going on with that?

GRANDA: Well, roughly, like I said, we have about $556,000 that is still outstanding, and that's what we're working with CMS and the other state

agencies to get that paid.

O'BRIEN: But all you're getting is IOUs, right? You're not actually getting cash?

GRANDA: No, we're actually receiving the

payments.

O'BRIEN: You actually got $4,000,000 and some dollars?

GRANDA: Yes, we did, yes, because we actually had $4.9 million that went out, and we have received 4.4 back.

O'BRIEN: So now when that comes back in, can that be sent for the same purposes?

GRANDA: I believe.

O'BRIEN: Or does that require Board approval?

MEISTER: There is a February resolution that provides authority. We are working -- one of the reasons why we provided this summary in the monthly report is to make clear to the Board Members and the public and the other Authority stakeholders exactly what we are doing.

At this time, while there have been discussions from time to time, there has not been a formal additional request submitted to the Authority for payments, for vendor payments. I'm happy to keep you informed, as well as other Board Members should.

O'BRIEN: Should that request come, though, would that take action of this Board to approve it, or because this has been designated, this money, could you just continue the program as is?

MEISTER: I think that's an open question that maybe General Counsel Weber could answer, since she's raising her hand.

WEBER: Yes, the November resolution gave Authority up to $12,000,000. So we only purchased receivables in the amount of $5,000,000. So there is still $7,000,000 of the Authority left under that resolution.

O'BRIEN: And that doesn't expire any time?

WEBER: No.

O'BRIEN: We still have a quick call for another $7,000,000? Another $7,000,000 could go out?

WEBER: $7,000,000, yes, I think rough numbers.

O'BRIEN: Okay. Without any Board approval?

WEBER: That's correct.

O'BRIEN: Okay, thank you.

MEISTER: But also, again, for clarity, there are two resolutions, November 2015 and February of 2016.

WEBER: Correct.

MEISTER: And, again, just to your point to

clarify, these resolutions do not have sunset provisions.

WEBER: That's correct. The second was supplementary to the first ratifying the first and adding some other provisions. So they were two parts of the same authorization.

CHAIRMAN FUNDERBURG: For the record, we'll continue to keep people posted with anything that should transpire in the future, regardless whether it needs Board authority or not, approval or not.

Chris, to Mr. O'Brien's question regarding whether there has been a cash repayment, the answer is "yes"?

In addition to that, we've also been compensated for that as well; is that correct?

MEISTER: Yes.

O'BRIEN: We're getting the interest as well?

MEISTER: Yes, the statutory prompt payment, which is roughly one percent a month.

O'BRIEN: After 90 days?

MEISTER: But again, to John's question, at the end of June, on June the 30th, there was what has been called roughly I think it's "all in." It's maybe three bills that were passed by the General

Assembly on June 30th, and then signed into law that same day, and part of that budget expires at the end of this calender year.

So as I've highlighted in the past, it was my desire to be totally done and repaid by the end of November. There is roughly this $556,000 that is outstanding, as John correctly highlights. That is outstanding principal and without a significant portion of the statutory one percent a month prompt payment.

Part of the difficulty that we've been having is matching exactly, because many of these receivables come in fairly small amounts to make sure that the warrant number, the obligation, and the voucher all match up, that all reconciles.

Six has been having those conversations with, I believe, primarily with the Department of Corrections because this was a food vendor.

On the flip side of that, as Six has highlighted, I had engaged with the Governor's Office of Management and Budget, who was the steward of these fairly restricted amounts of appropriations, and what I did was I pressed for the payment on the Clinic on Altgeld, which had that not

occurred, we would have had to be reporting a $200,000 loss.

And we also pressed for another State agency central management services to make a payment on the Village of Thomson on their outstanding water treatment plant bill tied to what is now a federal prison, and that is going to be made -- that payment -- that principal and interest payment is going to be made back to us in February.

So I had a limited number of cards, and I pressed for payments on the two that were going to

cause us immediate problems. We have been in robust and regular discussion about the timing and the amount of repayments under the outstanding receivables.

And I think to Terry's point, I made clear that we have a Board that we keep in regular communication on these issues, keep them informed, and we get questions on these because this is -- these were, in essence, deployments of the Authority's balance sheet funds to this purpose.

YONOVER: When do you anticipate this being zero?

MEISTER: I hope that it is zero by the end of

November. That is what my hope is.

O'BRIEN: You do anticipate additional draws, though?

MEISTER: I have fielded questions and requests. So far none of those requests have crystallized into an actual formal request.

O'BRIEN: Okay.

YONOVER: Chris, I recall several months back we also had money related to the Housing Authority. It's not on this list. Is that separately being repaid, or is that still out there?

MEISTER: That was repaid. This is the -- this page, the State of Illinois detailed receivables summary unaudited as of November 2nd, 2016, is the full amount of the outstanding commitment as of this time.

The deployment of funds for the housing project were confusingly through the Department of Human Services. That has been repaid in full.

YONOVER: Great.

MEISTER: As has the deployment of debt service payments, principal and interest to the Southwestern Illinois Development Authority for the advance payment of a moral obligation pledged.

YONOVER: So this is sum and substance of all receivables that are due for the stuff that we did earlier?

MEISTER: Yes.

YONOVER: Great.

CHAIRMAN FUNDERBURG: Thank you. All right, good discussion. If there's nothing else, then I would like to ask for a motion to accept the financial report.

BRONNER: So moved.

CHAIRMAN FUNDERBURG: Moved by Ms. Bronner. Is there a second?

GOETZ: Second.

CHAIRMAN FUNDERBURG: All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: The ayes have it. Thank you. Ms. Burns?

BURNS: Yes. Mr. Chairman, Board Members, I'll be presenting the monthly procurement report in my capacity as agency procurement officer.

Once again, as is usually the case, the

procurement focus tends to be on what I would call housekeeping items. For example, Bloomberg, our arrangement with Bloomberg, which we characterize as small purchases based on the amount of the procurement which has to be approximately $50,900 or less by statute.

And so other than the various housekeeping items noted, our focus is again on RFPs or other bidding competitive proposal arrangements with respect to actually quite critical areas.

Our temporary staffing, which although it's been reduced significantly of late, it is still, for the time being, necessary. And other, areas, such as bank custodian services, very important, loan-management services, and our more longer-term legal services contracts.

Does anyone have any questions?

BRONNER: Just an observation, that dollar amount relative to the temporary finance and procurement compliance staffing are very high. If we look at what is the average yearly expense, it's in excess of $600,000.

BURNS: That will change significantly since we -- I'm not sure how familiar the Board is with this, but there was significant decrease in the number of people that we have subject to this arrangement now.

I think it went from -- it went from six or seven down to two, and that happened only, you know, I would say, a couple of weeks ago that the largest decrease occurred.

GRANDA: Yes.

BURNS: So some of the numbers that you're seeing here are historical, and by no means expected to be that significant.

BRONNER: Excuse me, what were those six -- is it six individuals?

BURNS: Yes.

BRONNER: And what was the nature of that work?

BURNS: Essentially accounting.

GRANDA: The were actually helping us with our compliance checklist for our conduit bonds.

MEISTER: And, Gila, on this point, and again, I'm glad that you're asking this question because it demonstrates in a specific factual manner to the Members of the Authority how conflicting and converging state-based regulatory structures impinge on the self-funding nature enterprise model of the Authority.

Hiring folks under what is broadly called the regulatory structure of the U.S. Supreme Court

Rutan decision has, over the past couple of decades, developed into an extraordinarily complex process.

Since Denise has joined us a few months ago, and she has not only taken the procurement officer duties, which is a complex regulatory structure, but she just recently completed I think three full days of Rutan training being held by Central Management Services.

So what the short-term -- and again, this commitment to the backlog of the compliance checklist was an initiative of our former CFO, who -- and I agreed with it, but this was her initiative, we are in the process of redeploying those duties to certain other staff downstate.

And one of the first things that Six Granda, and I did after the transition of many of the former CFO's duties, both to Six and Denise, was to allocate this identified cost savings. So this is a legacy spending, which as you point out, is comparatively very high.

BRONNER: Relative to our personnel budget.

MEISTER: Yes.

BRONNER: And if I may, though, I do note that it says the contract start and end date is 10-16. Am I not getting this right? They extended it for an additional two years.

BURNS: Yes, it appears twice, in terms of the report. Once because we had to extend for two months just to give us time to do a competitive RFP process. So the current arrangement was extended for two months.

BRONNER: But it also says here 11-16 to 10-18 on the back page, suggesting it's a two-year prospective contract.

BURNS: It actually -- we've moved that to three years. It's going to be a three-year contract with --

BRONNER: That's even more discouraging.

BURNS: No. With no -- you know, only because -- first of all, let me tell you who we still have on board in terms of the temps. We have a clerical person who deals with a number of things and helps out that relieved a lot of pressure in terms of, you know, de-staffing on the accounting side and on -- you know, in other areas.

We also have one individual who is a

procurement temp who works pretty closely with me now, in terms of the procurement process, which again, and perhaps this isn't unusual to someone in State government, I have to say, it's a system that the fraught with various requirements that just simply have to be met regardless.

BRONNER: I understand that, but you're anticipating an award in December 16th of an additional two-year contract with an average yearly expense of $605,000, unless this is incorrect.

BURNS: Again, I think the report just picks up

a legacy. We only have two people on board. We are not currently anticipating increasing that number. In fact, we're very much anticipating that number will be reduced.

BRONNER: This is probably incorrect?

WEBER: Well, it gives us flexibility if we need to hire people because it's obligated to hire those people. We have to have a maximum amount for procurement purposes, but it's at our choice whether or not we bring a certain amount of employees.

BRONNER: And not to beat a dead horse, if we're looking at that kind of extension, is there a reason it wasn't competitively procured? It's the

same vendor throughout this whole --

WEBER: I think it was competitively bid.

MEISTER: I think initially it was competitively bid, but --

BURNS: Initially, it was competitively bid, and then that bid was extended as an emergency procurement. And, you know, again, when I came on board -- we need to have in place the ability to hire, if we need it. It doesn't mean we're intending to.

BRONNER: Yes, but I would argue in this particular category, forgive me, not to beat a dead horse, but I think it's pretty big area of the market.

So I think given the amount of time that's passed, my sense is that that would -- you might find even other options.

BURNS: I just received my certification today.

BRONNER: This isn't about you.

BURNS: No, what I was going to say, just to illustrate, you can't simply advertise how people come in, interview them, and then you're done. I mean, under Rutan, you literally -- you understand Rutan?

BRONNER: It's not about people. I was suggesting on the contrary.

JURACEK: The report says it was competitively bid initially.

BRONNER: I'm just trying to understand because it's the same. That's all.

JURACEK: It was competitively bid to be anticipated awarded in December. So it was competitively bid for the going-forward period.

BURNS: No. Well, I'm sorry, I'm getting confused here. The last activity, with respect to Accounting Principals, which is what you were speaking about, was simply an extension of the current arrangement for two months.

JURACEK: To cover us during the competitive bid process?

BURNS: Yes, because it was no longer acceptable to go again and ask for an emergency procurement. So, you know, the mandate now for us is that we will stay away from that until, you know,

just where the emergency is based simply on, you know, the passage of time and nobody doing anything.

If we have an emergency procurement now, we very much hope that it is, indeed, an emergency

procurement where something comes up. But again to reiterate what Elizabeth said, we do have to put a maximum amount in these contracts. So, I mean, maybe it's time now to really look at this report and revise it a little bit to be more meaningful, because I'm really just getting into it now.

BRONNER: It's the categories.

BURNS: It's the categories, yeah.

KNOX: One question. Then the $605,000 represents a bid amount in the contract, not the budget amount we see here.

BURNS: Absolutely not a budget amount. None of them. They are either legacy numbers, or they are numbers that, you know, the Office of the Comptroller requires us to actually put a maximum number.

So people do tend to increase that number because we know, you know, once you've been through this proses, you never want to have to have to go through a competitive bid process just to, you know, deal with that issue.

KNOX: So, then, from a budgetary standpoint, if we're trading dollars, we had six people, now we have two. Going forward, the budgeted amount in this contract, we expect to see closer to $49,000?

BURNS: Well, that actually was for two months, I think, right?

KNOX: About $30,000 a month?

BURNS: What is the approximate monthly cost now for our folks?

GRANDA: For both?

BURNS: Yes.

GRANDA: It's about $5,000 monthly.

CHAIRMAN FUNDERBURG: Okay. So what I would like to do -- this is a good discussion, too important regarding this procurement. What I'd like to do if you want to take 30 seconds, please do that.

I would like just a very brief summary of what it is exactly. We've gone back and forth. There's been a little confusion regarding two years, three years maximum amounts or not.

So could you just summarize, give a 30-second or one-minute summary of what it is exactly what we're looking here, regarding the temporary procurement?

BURNS: Currently, we are operating under a two-month extension to the existing Accounting

Principals contract. We only, however, have two people right now that are on board from Accounting

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Principals. We are going out and expect to have a new arrangement in place.

We've gone out -- it is a competitive bid process. We didn't just post it. We also identified several people in the market place, other than Accounting Principals, and they will all receive a separate E-mail basically highlighting the opportunity that is there for folks.

You know, in the final analysis, even the two people that -- we have those positions. We feel they are necessary on an ongoing basis. The mandate now to hire people, is difficult and fraught with timing issues.

So we're all committed to finally be able to go through that process, hire people, and that will reduce the cost, you know, even further we hope.

MEISTER: And, I'm sorry, just to add this point, because I think, Denise, your experience as a former law partner at a large international law firm I think gives you an objective perspective.

You went through three days of Rutan

training, and you shared an observation with me that I would really appreciate you sharing with the Board?

BURNS: We can't hire anybody.

MEISTER: I think that the quote was, "I don't know how you hire anybody."

BURNS: But we will find a way.

MEISTER: Yes.

BURNS: We feel we have a way, and we will do that. So I think we've made great strides at reducing that bill, which, no doubt about it, it was too high, and use more internal resources and deal with Rutan and just realize that it is possible to hire people.

We just have -- you know, we just have to do that, and go through, however painful that may be, that process, but that is the current, you know, mandate that I've been given.

CHAIRMAN FUNDERBURG: Okay. Operationally, this allows you to add or subtract temporary people, in accordance with the work flow of the IFA?

MEISTER: Yes.

BURNS: And, you know, in terms of the form of the report, maybe we will consider before the next

Board meeting a way to make this -- these numbers that are on the right side be more meaningful to you, but I can say that they are not a budgeted amount, and nothing to do with what is budgeted or what we anticipate.

I'm not sure where this -- you know, where this came from originally, but there may be some information that is just not meaningful in its context, and we'll, you know, try to clean that up so that you can look at this and not be quite so difficult to absorb.

CHAIRMAN FUNDERBURG: Okay. Thank you all. Good discussion, everyone. Thank you.

Next up is Committee reports. We did have our Tax-Exempt this morning. Mr. McCoy?

McCOY: Thank you, Mr. Chairman. The Tax-Exempt Conduit Transaction Committee met earlier this morning and voted unanimously to recommend for approval each of the transaction matters on today's agenda, including one -- two beginning farmer bonds, Oak Park Residence Corporation, the Fullerton Village Project, Rehabilitation Institute of Chicago Southern Illinois Healthcare Enterprises?

CHAIRMAN FUNDERBURG: Okay, thank you. If there

are no other committee reports at this point, then I would like to ask for the general consent of the Members to consider the Project Reports and Resolutions collectively, and to have the subsequent recorded vote apply to each respective individual Project and Resolution, unless there are any other specific Project Reports and Resolutions that a Member would like to consider separately.

Are there any? If not, then let's go ahead. Patrick, you're up.

EVANS: Good morning. This is Patrick Evans in Springfield, and today we have two beginning farmer bonds. Both bonds relate to the Illinois Finance Authority program.

We'll have a first mortgage position. FSA will have a second mortgage position behind the

Illinois Finance Authority. The first bond is to Anthony L. and Allison C. Weber. They are purchasing 40 acres of farmland.

People's State Bank of Newton will retain the first position of $211,000 land purchase, or $105,500 of debt. IFA will provide the beginning farmer bond, maintaining the first mortgage position with the bank utilizing the FSA 5/45/50 program.

The terms of the bonds are identified in the writeup. The property is located in Richland County. The second bond, excuse me, is Michael Joseph Matway. He's purchasing 97.173 acres of farmland. The First National Bank of Litchfield will retain 54.9 percent of a $947,436.75 land purchase or $520,000 worth of debt.

IFA will provide a beginning farmer bond, maintaining first position, with the bank utilizing FSA beginning farmer bond program. To maximize both FSA and IFA programs, the borrower will put in 13.4 percent of equity. FSA maintaining 31.7 percent of the purchase, and the bank retaining the remaining 54.9 percent of the purchase.

The terms of the bonds are identified in this writeup. The property is located Montgomery County. No questions? Thank you, Mr. Chairman.

MEISTER: General Counsel Weber, I think that you have a statement that you made at the Conduit Committee regarding item 1A, Anthony L. and Allison

C. Weber.

WEBER: Yes. Just, for the record, I neither know or to my knowledge am I related to either of those individuals.

CHAIRMAN FUNDERBURG: Okay. Thank you, Patrick.

FLETCHER: Next, Mr. Chairman, Members, tab 2 in your Board book is a Final Bond Resolution on behalf of Oak Park Residence Corporation in a not-to-exceed amount of $22,000,000.

Established in 1966, Oak Park Residence Corporation provides affordable housing, both through its 22 property multi-housing portfolio, as well as various housing units it owns through affiliated entities.

As a nonprofit entity, Oak Park Residence Corporation issued bonds through our predecessor agency, IDFA, in 2001, and later again through IFA in 2006. Both series of bonds were issued as variable rate bonds floating in the marked secured by letters of credit issued by PNC Bank National Association.

Those letters of credit are scheduled to expire in August 2017. Accordingly, Oak Park Residence Corporation, and a wholly-owned affiliate of PNC Bank, PNC Community Development Company, LLC, have agreed to refund both series of bonds and enter into a bank direct purchase structure.

We have seen this time and time again, especially converting variable rate bonds to a bank direct purchase structure. The bank and the borrower have agreed to a fixed interest rate for an initial time of ten years.

The refunded principal amount will be approximately $17,000,000. Additionally, the bank is providing financing for new capital projects in the amount of $3,000,000 for various energy efficiency upgrades, as well as HVAC improvements.

Turning to page 7 in the confidential section of the report, I did want to note for the record that we're providing our discounted fee for the refunded principal amount that is currently secured by letters of credit.

Additionally, because Oak Park Residence Corporation is a nonprofit entity, we did provide a forecast, which does show, in fact, we are expecting them to generate sufficient operating cash flows to cover the proposed debt service. Before I ask if there's any questions, I did want to take the opportunity to thank Wayne Pierce. Wayne is the president of Oak Park Residence Corporation. This will be the third time they're using our agency to

issue tax-exempt bonds.

Are there any questions?

YONOVER: I don't understand the disclosure.

FLETCHER: So there's on ground floors of some of the units, there's retail business operations. It's just given the membership of the Board, we wanted to provide contact information, who that is, in case you have any conflicts.

YONOVER: I understand.

FLETCHER: Thank you.

CHAIRMAN FUNDERBURG: Thank you. Rich?

FRAMPTON: Okay. In tab 3 in your book, item 3 is a Final Bond Resolution for MJH Education Assistance Illinois IV LLC. MJHIV is it special purpose entity that was formed back in 2004 to own and develop a 580 bed student housing facility at 1237 West Fullerton in Chicago.

The parent of MJH is the MJH Education and Healthcare Assistance Foundation. That foundation was actually formed to serve as a supporting organization for DePaul.

Prior to this particular project, the MJH foundation had worked with DePaul on three prior master lease projects, each of which was bond

financed through the Illinois Educational Facilities Authority, and this MJHIV project was intended to be financed as a stand-alone project basis without a master lease or any kind of guarantee from DePaul.

So this MJHIV project was originally financed as a stand-alone real estate financing deal. Originally back in 2004, $87,000,000 of bonds were issued in three series. Page 2 of the memo highlights the three series that were originally issued.

There was 50 -- overall, there was $87,000,000 in debt issued in 2004, which was comprised of $58,000,000 of senior A bonds. Those were rated Baa2 by Moody's.

There was also a subordinate B series that was also investment grade rated Baa3 by Moody's. Accordingly, because both the A and B series back in 2004 were investment grade rated that pursuant to the Authority's policies, enabled the original bonds to be sold in $5,000 bond denominations to retail investors.

Lastly, there was a C series for $13,800,000. Those bonds were issued and provided to an affiliate of Smithfield Properties, which was

the original developer of the project.

Smithfield took these bonds instead of being paid cash at the closing. The C bonds are junior subordinate bonds. They were sold in actually million dollar denominations with investor restrictions.

Next, just moving on to the history of the project and what this financing will do, the new 2016 bonds would enable the 2004 bonds to be refinanced and restructured.

The 2004 bonds have actually been in

default since December of 2007. So the real purpose of this financing is to enable the 2004 bonds to be paid off and the events of default to go away.

After this financing, there will be no more 2004 bonds. All of the 2004 bondholders will be paid in full, and the restructured payments will enable the project to service the new debt based on existing cash flows that have been posted over the past five years.

So how did this project end up in default in the first place? The project opened in the fall of 2006 with 91-percent occupancy. Year two, which was 2007-2008, occupancy fell to 52 percent. So in

December 2007, there was insufficient cash flow to service the debt.

So they drew from the debt service reserve. So from that time going forward to now, these bonds have been in default. Also, in September of 2007, the property manager was replaced.

The new property manager is actually an affiliate of the series C bondholder, which in turn is an affiliate of -- was an affiliate of Smithfield Properties.

The rationale for that was the C bondholder had $13.8 million of bonds at risk. They were the largest single bondholder, and having a subordinate interest, they had the most at risk on the deal.

In terms of the impact of the change in management, it took some time to get the facility turned around, but on page 4, the improvement, the general improvements in occupancy are reported. In 2012 and 2014, in particular, the facility was essentially fully occupied.

As a result of that, the project was able to catch up on past due interest payments on the A

bonds, and was able to come current on three of five past due principal payments.

The improved operations of the property are evidenced on page 5 through an upgrade on the rating of the series 2004A bonds. In September of 2014, the current rating on the A bonds is Caa2.

The top of page 6 reports the currently unpaid principal balances on both the 2004A bonds, and the past due interest and principal payments on the 2004B bonds.

Since the date of issuance, there have been no payments at all on the series 2004C bonds; and all the time while this project has been in default, penalty and default interest has been accruing.

And as a result of that, the total debt on the project now is approximately $100,000,000. In terms of what the project is currently worth, page 6, there's a note on the appraised value.

In December of 2015, Collier appraised the

property with an as-is market value as of December 4, 2015, at $90,000,000, and they also concluded the facility had a remaining economic life of 45 years.

So, again, the real purpose of this refinancing is it will clean up all the past defaults. It will bring all payments current, but what's really -- there are a few other critical points at the moment.

As long as the project remains in default, the senior 2004A bondholders actually have the right to accelerate the bonds. There are roughly $50,000,000 of Series A 2004A bonds outstanding. The appraised value of the facility roughly $90,000,000.

If there was a forced acceleration, the A holders probably get paid. B and C holders not so clear. One of the attractive features of this refinancing plan is that it's actually driven by the series B and C bondholders. So the subordinate bondholders are actually driving this plan of refinance.

And as things have been set forth, the purchaser of the new 2016A bonds is actually one of the primary holders of the 2004B bonds. So as a result of this refinancing and restructuring, the interest of the subordinate holders will be in alignment with the A holder.

Also, as preconditions to proceeding with the deal, the property manager, which is an affiliate of the C holder, has already reduced their management fee from 5.2 percent of gross revenues to 3-and-a-half percent of gross revenues.

That generates roughly $200,000 in savings going forward. Additionally, the C holder has agreed to subordinate payment of the management fee Until the A bonds are paid. So that strengthens the deal.

In addition to that, the borrower will be applying to S&P for a private rating on the A bonds. There will be a rating covenant going forward that will be in effect, will be imposed on an annual basis.

That will provide is that MJHIV, the borrower, will apply for a rating each and every year until they retain a rating that satisfies what they have specified as a minimum threshold.

Most likely, that's in the BB category, and the financial performance of the project going forward suggests that even with a forecast 16 to 17 percent vacancy rate on the project, that the project will cash flow sufficiently to make payments

on the A bonds, and also to begin -- it will enable early amortization of the other outstanding debt on

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the project.

Just a couple of quick highlights on the financials. Page 12 of the Board Summary Report that shows that the project is not cash flowing, or providing debt service coverage now. Pages 14 and 15 of the report indicate forecast cash flow. Page 15, in the middle of the page, have reported forecast debt service coverage.

It's vastly improved under the new scenario. And page 16 demonstrates how the initial $85.6 million of debt will get paid down in time; and again, all this is predicated on 16 to 17-percent vacancy. This is going forward.

MEISTER: Rich, Lyle McCoy, the Chair of the Conduit Committee, I think has got to leave early, but maybe, Lyle, you can speak to the larger Board on behalf of the Committee regarding the robust and detailed nature of the discussion on this project.

McCOY: I think, as you said, we met earlier. This is somewhat of a unique one than we usually see. We complimented the staff on the analysis that's gone into it.

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Obviously, Richard, you worked on this for a lot of years. It's not something new that has come up. I think we had a very good discussion because there are a lot of questions that come up here, but why now? Risks to the Committee? Just the nuances that come in here, and it was positive and we voted accordingly. It is the right transaction.

FRAMPTON: Yeah. I mean, it stops the penalty interest from continuing to accrue. It stops the compounding of interest and provides a viable way out; and the timing now, interest rates are good, and this would position the project to be as successful as possible.

And in light of that, I just want to bring one final thing to your attention. In connection with our recommendation, we are also requesting and recommending policy exceptions on the Authority's bond denomination policy, and to provide a waiver to the usual $100,000 minimum denomination requirement.

The existing holders of the bonds are holding Caa and C rated paper in $5,000 denominations. And just based on the improved financial performance that's very likely to improve,

the new deal will be -- will be better for the new bondholders.

And also, importantly, upon the close -- as a condition of closing this transaction, the Authority will receive waivers and releases from all the new bondholders holding us harmless against anything that's happened in the past.

So those are all the reasons for recommending approval of this financing, and a new -- a revised resolution that reflects the policy exceptions where we're requesting on the

denominations is included in your packet.

And other than that, I would just like to quickly acknowledge Mr. Ben Noble, president of MJH Education Assistance that's here with us today, as is Keith Morgan with Piper Jaffray, who is the placement agent on the A bonds, and Tom Smith from Greenberg Traurig, whose firm is serving as bond counsel. Any other questions?

FLETCHER: Mr. Chairman, for the record, I will note that Member McCoy has left the room at 10:31.

CHAIRMAN FUNDERBURG: We're normally done by now. So in his defense.

BRONNER: Sorry.

LENANE: This is tab 4 in your Board book, the Rehabilitation Institute of Chicago, which I will refer to as RIC, is requesting a one-time Final Bond Resolution in the amount of $275,000,000 to refund all of their series 2013B, C, D and E bonds, proceeds of which were used to pay or reimburse the cost of acquiring construction and equipping their new 242 bed replacement hospital, which will have 17 floors, a seven floor parking garage and three floors of medical office building.

It's scheduled to open in March of 2017. The plan of finance contemplates three bank private placements with Northern Trust, PNC Bank and Bank of America.

RIC's current rating on its long-term, fixed-rate bonds are A- Fitch stable. The bonds will be variable rate calculated at .4 percent to .65 percent over a percentage of LIBOR, which is currently approximately at .50 percent.

RIC's mission is to provide quality programs and patient care, education and research, and to strive for the fullest assimilation and acceptance of the physically disabled in the community.

It operatives the healthcare system, specializing in providing comprehensive rehabilitation services to the physically disabled through an array of static amount of therapeutic services, including physical, occupation and speech therapy.

RIC currently has 1,530 jobs. They are also currently operating a 182 bed hospital and outpatient facility in downtown near the medical campus of Northwestern Memorial Hospital, which they will move out entirely on March 30th and move into their new hospital.

If we look at their financials in the confidential section on page 6, they have good debt service coverage, 1.5 times with 130 days cash on hand. The debt service coverage isn't as high as we normally see for the hospital, but they do have the A rating from Fitch.

They are carrying a lot of debt right now for the construction of the hospital. They are also

hoping to get a lot of substantial donations to pay down the debt.

So over time, that 1.5 will improve. We also gave them a 25 percent discount on the fee

because they're going from a bank private placement with four banks to a bank private placement with three banks. Are there any questions?

Okay. Tab No. 5 in your book is Southern Illinois Healthcare Enterprises. Southern Illinois Healthcare Enterprises is seeking a preliminary resolution.

They will be back next month for a final bond resolution in the amount -- to issue taxable and tax-exempt bonds in the amount of approximately $150,000,000 to advance refund of all of their series 2005 bonds, to reimburse Southern Illinois Health Services for their conversion to the EPIC medical -- electronic medical record system, pay eligible costs related to a new Southern University building, which includes housing for medical students and clinical operations, to purchase the corporation's headquarters in Carbondale, which is currently located next door in a mall in Carbondale.

And they are also raising additional capital for miscellaneous projects funds. SIHE, the parent, will employ 3,495 people, and I'll have a figure on construction jobs for the final resolution because they are just not available right at this time.

The plan of finance contemplates separate series of taxable bonds in the mount of $60,000,000, and tax-exempt bonds in the amount of $90,000,000 to be sold in a public underwriting by Bank of America Merrill Lynch. The bonds will be fixed rate. This rate will be determined at pricing.

Southern Illinois Healthcare Enterprises is a three-hospital system located in Jackson County and Williamson County, Illinois. Memorial Hospital of Carbondale has 154 beds. Herrin Hospital with 114 beds, and St. Joseph Memorial Hospital a 25 bed critical care hospital located in Murphysboro, Illinois.

If we go to SIH's last audited financial ending March 31, they show very strong debt service of 4.6 and 279 days cash on hand. We are only charging them a fee on the tax-exempt portion of the bond, and we're issuing the taxable bonds without a fee because they could, as you know, issue these bonds themselves and not pay the fee. And they have decided to issue both through us, which we're very grateful for. So are there any questions?

MEISTER: And, Pam, just to make it clear,

Southern Illinois Healthcare Enterprises is a completely separate and nonprofit organization from

11-10-16-2.txt

the public university, Southern Illinois University.

LENANE: Absolutely, yes. Thank you.

CHAIRMAN FUNDERBURG: All right. Thank you all. At this point, I would like to request a motion to pass and adopt the following Projects and Resolutions 1A, B, 2, 3, 4 and 5. Is there such a motion?

KNOX: So moved.

CHAIRMAN FUNDERBURG: By Mr. Knox. Is there a second?

GOETZ: Second.

CHAIRMAN FUNDERBURG: Mr. Goetz. Discussion?

FLETCHER: On the motion and second, I'll call the roll. Mr. Anderberg?

ANDERBERG: Yes.

FLETCHER: Ms. Bronner?

BRONNER: Yes.

FLETCHER: Mr. Fuentes?

FUENTES: Yes.

FLETCHER: Mr. Goetz?

GOETZ: Yes.

FLETCHER: Mr. Horne via audio conference?

MARZULLO REPORTING AGENCY (312) 321-9365

HORNE: Yes.

FLETCHER: Ms. Juracek?

JURACEK: Yes.

FLETCHER: Mr. Knox?

KNOX: Yes.

FLETCHER: Mr. Obernagel?

OBERNAGEL: Yes.

FLETCHER: Mr. O'Brien?
O'BRIEN: Yes.
FLETCHER: Mr. Poole?
POOLE: Yes.
FLETCHER: Ms. Smoots?
SMOOTS: Yes.
FLETCHER: Mr. Yonover?
YONOVER: Yes.
FLETCHER: Chairman Funderburg?
CHAIRMAN FUNDERBURG: Yes.
FLETCHER: Mr. Chairman, the motion carries.
CHAIRMAN FUNDERBURG: Great. Thank you. At this point I would like to ask if there's any public comment? Any public comment at all?
Thank you all for coming. Last month I asked the group in the meeting if there were any Cub fans in the audience.

BRONNER: A much higher number now.
CHAIRMAN FUNDERBURG: A much higher number. Thank you, Mr. Fletcher. We also need to excuse the absences of the absent Members. Is there such a motion?
KNOX: So moved.
BRONNER: Second.
CHAIRMAN FUNDERBURG: All those in favor, please say aye.
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?

(No response.)
CHAIRMAN FUNDERBURG: Thank you all very much.
BRONNER: I would like to just note the inclusion of the jobs report within our manila folder.
FRAMPTON: That would be me.
MS. BRONNER: Thank you, Rich, for putting it together. Obviously it speaks for our mission at IFA, and I think it's very important information relative to economic development in our state, so thank you.
FRAMPTON: Thank you.
CHAIRMAN FUNDERBURG: Thank you all very much.

Do I have a motion to adjourn?
BRONNER: So moved.
CHAIRMAN FUNDERBURG: Is there a second?
KNOX: Second.
CHAIRMAN FUNDERBURG: All in favor, please say aye.
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?
(No response.)
CHAIRMAN FUNDERBURG: Thank you all.
FLETCHER: The time is 10:39 a.m.
(WHICH WERE ALL THE PROCEEDINGS HAD at 10:39 a.m.)

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

PAMELA A. MARZULLO, C.S.R., being first duly sworn, says that she is a court reporter doing business in the city of Chicago; that she reported in shorthand the proceedings had at the Proceedings of said cause; that the foregoing is a true and correct transcript of her shorthand notes, so taken as aforesaid, and contains all the proceedings of said meeting.

____
PAMELA A. MARZULLO
License No. 084-001624

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE
ADOPTED

November 10, 2016

13 YEAS　　0 NAYS　　0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
NV	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
NOVEMBER 10, 2016 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

November 10, 2016

14 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
OCTOBER 13, 2016 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

November 10, 2016

14 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

November 10, 2016

14 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-1110-AG1A
BEGINNING FARMER REVENUE BOND – ANTHONY L. AND ALLISON C. WEBER
FINAL (ONE-TIME CONSIDERATION)
PASSED*

November 10, 2016

13 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	NV	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 1B

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-1110-AG1B
BEGINNING FARMER REVENUE BOND – MICHAEL JOSEPH MATWAY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

November 10, 2016

13 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	NV	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-1110-NP02
501(c)(3) REVENUE BOND – OAK PARK RESIDENCE CORPORATION
FINAL (ONE-TIME CONSIDERATION)
PASSED*

November 10, 2016

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	NV	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 03

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-1110-NP03
STUDENT HOUSING REVENUE BOND – MJH EDUCATION ASSISTANCE ILLINOIS IV LLC (1257 WEST PROJECT; F/K/A FULLERTON VILLAGE PROJECT)
FINAL (ONE-TIME CONSIDERATION)
PASSED*

November 10, 2016

13 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	NV	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 04

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-1110-HC04
501(c)(3) REVENUE BOND – REHABILITATION INSTITUTE OF CHICAGO
FINAL (ONE-TIME CONSIDERATION)
PASSED*

November 10, 2016

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	NV	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 05

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-1110-HC05
501(c)(3) REVENUE BOND – SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, INC.
PRELIMINARY
PASSED*

November 10, 2016

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	NV	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	E	Zeller
Y	Horne (VIA AUDIO CONFERENCE)	Y	O'Brien	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

160 North LaSalle Street
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Date: December 8, 2016

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Ximena Granda, Controller

Subject: ***Presentation and Consideration of Financial Reports as of November 30, 3016****

***All information is preliminary and unaudited.**

FISCAL YEAR 2017-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. **Total Annual Revenues** equal $**2.9** million and are $**850** thousand or **41.0%** higher than budget due primarily to **higher** closing fees in the month of September. Closing fees year-to-date of $2.1 million are $647 thousand or 44.5% **higher** than budget. Annual fees of $134 thousand are $44 thousand higher than the budgeted amount. Administrative service fees of $181 thousand for the year are 7 times higher than budget (which includes the $150,000 July 2016 final exit fee in connection with the now ended 1985 Healthcare Pool financing project). Application fees total $20 thousand and are $8 thousand higher than the budgeted amount. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled $347 thousand (which represents a declining asset since 2014). Net investment income position is at $122 thousand for Fiscal Year 2017 and is $36 thousand higher than budget,* due primarily to the accrual of interest in the aggregate amount of $90 thousand in connection with the State Prompt Payment Act for State receivables outstanding from July 2016 to September 2016.

b. In **November**, the Authority generated $433 thousand in closing fees, lower than the monthly budgeted amount of $291 thousand. Closing fees were received from: ***The University of Chicago*** for $194 thousand***; The Carle Foundation*** for $192 thousand and ***Ness HealthCare*** for $43 thousand.

Operating Revenues and Expenses are direct results of our basic business operations. ***Non-Operating Revenues and Expenses*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***Net Income/ (Loss)*** is our bottom line.

**** Governmental Accounting Standards Board (GASB) Statement No. 31. This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.***

- ***Authority investment manager advices that global market conditions contribute to this***
- ***Past performance does not direct the outcome of future outcomes, however in FY2015 investment income total $642 thousand compared to (unaudited) FY2016 total $ 742 thousand***

c. **Total Annual Expenses** of $1.3 million were $740 thousand or 35.9% lower than budget, which was mostly driven by vacant budgeted staff positions and below budget spending on professional services. Year-to-date employee and professional services expenses total $1.1 million; with each function at 25.9% and 55.0% under budget, respectively. Annual occupancy costs of $74 thousand are 14.2% lower than the budget, while general and administrative costs are $136 thousand for the year, which is 19.3% lower than budget. Total depreciation costs are $9 thousand and 15.1% below budget. Total cash transfers in from the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) to the General Operating Fund are $4.8 million. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund are $108 thousand (represents a transfer to the JRTC janitorial vendor; see Financial Statements and supplementary Information in Board Book).

d. In **November**, the Authority recorded operating expenses of $263 thousand, which is lower than the monthly budgeted amount of $412 thousand. The decrease is due primarily to employee related expenses and professional services being lower than expected.

e. **Total Monthly Net Income** of $890 thousand is driven by lower than expected spending across all categories and the transfer received from the debt service reserve fund from the Series 1996 Clinic in Altgeld, Inc Project bond issue.

f. **Total Annual Net Income** is $2.2 million. The major driver of the annual positive bottom line continues to be the level of overall spending at 35.9% below budget, as well as higher closing fees, higher administrative service fees, the transfer received from the debt service reserve fund from the Clinic in Altgeld, and the accrual of the prompt payment interest.

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Authority, as of November 30, 2016, is a $120.5 million dollar agency which also currently accounts for $300 million in total activity (including the Other State of Illinois Debt Fund) but maintains compliance for nearly $26 billion in outstanding debt.

3. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of $56.0 million. The total assets in the General Fund are $56.3 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $37.6 million (with $19.9 million cash). Notes receivables from the former Illinois Rural Bond Bank local governments total $16.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at $2.5 million.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

a. In accordance with Governmental Accounting Standards, the "Other State of Illinois Debt Fund" is comprised of bond activity for the Illinois Environmental Protection Agency (IEPA), the Illinois Medical District Commission (IMDC) and Northern Illinois University Foundation (NIUF). The majority of the activity in this fund derives from the Clean Water Initiative (CWI) bonds for IEPA. Total assets in this fund are $732 million (which includes the $500 million Clean Water Initiative bonds that closed on September 12, 2016). As explained in the message of the Executive Director on August 11, 2016, "TIPRA" which means Tax Increase Prevention and Reconciliation Act of 2005, imposes additional requirements and conditions in order for interest on the bonds to be and remain exempt from federal income taxation. TIPRA specifies that unless certain minimum percentages of the bond proceeds are originated (i.e., by IEPA) as loans for eligible projects within certain prescribed time periods (i.e., there are minimum origination requirements after year 1 and year 3), the bonds would become subject to mandatory redemption. To date the Authority has disbursed $117.2 million or 19.9% of the bond proceeds. In September, the Authority gave direction to Clear Arc, the Authority's Investment Manager, to start investing unused CWI bond proceeds. To date, Clear Arc has invested $465.2 million of the bond proceeds in various short term securities with maturities ranging from December 2016 thru June 2017. The accrued investment income for these investments is at $276 thousand.

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of $184 thousand. In Fiscal Year 2016, 29 Fire Truck revolving loans were issued totaling $7.9 million. Thus far in Fiscal Year 2017, two loans were disbursed in the amount of $700 thousand under the Fire Truck Revolving Loan program. In conjunction with the Office of the State Fire Marshal, 13 new Ambulance loans totaling $1.7 million are expected to be disbursed. Thus far in Fiscal Year 2017, thirteen new loans were disbursed for a total of $1.3 million. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority's balance sheet are $22.7 million and $4.2 million, respectively.

   The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses in relation to the Authority's agricultural loan guarantee program. As of November 31, 2016, the Agricultural Loan Guarantee Fund with a Restricted Net Position of $10.1 million includes no loss reserve, but the Agribusiness Fund with a Restricted Net Position of $7.9 million includes a loss reserve of $442 thousand for potential loan loss payouts. Moreover, the Industrial Revenue Bond Insurance Fund includes restricted assets held locally by the Authority to make payouts of losses in relation to the Authority's agricultural loan guarantee program (please see Senate Bill 324, Public Acct 99-0509). The Restricted Net Position for the Industrial Revenue Bond Insurance Fund is $11.9 million as November 30, 2016.

c. All other nonmajor funds recorded total year-to-date revenues of $15 thousand. Year-to-date expenses total $3 thousand as of November 31, 2016. Total Net Position in the remaining non-major funds is $37.5 million.

d. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of $5 thousand in the custody of the Authority. The Illinois Finance Authority NFP Development Fund has a total net position of $19 thousand.

5. AUTHORITY AUDITS AND REGULATORY UPDATES

a. The Fiscal Year 2016 Financial Audit remains on schedule and to date without issue.

b. On December 6, 2016 the Authority received the second draft of the Fiscal Year 2016 Financial Audit Report for review. As of today, the Authority anticipates one potential Government Auditing Standards "GAS" finding. The timing of the release of the final version of the Authority's audit as well as the number and wording of any findings rest solely within the discretion of the Illinois Office of the Auditor General.

c. Upcoming Governmental Accounting Standards Board (GASB) accounting and financial reporting issues critical to the Authority's financial presentation in FY2016/FY2017 include changes in investment reporting, fiduciary activities, leases, grants, nonexchange transaction compliance and indirectly, and new guidance on tax abatements for local governments. The Financial Accounting Standards Board (FASB) has also (in response to GASB's initiative) submitted a proposal for all private sector entities to disclose assistance received from governmental entities.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

a. The Fiscal Year Comparison of Bonds Issued, The Fiscal Year 2017 Bonds Issued, Schedule of Debt, and the State of Illinois Receivables Summary are being presented as supplementary financial information, immediately following the financial reports in your Board package (or manila folder).

Respectfully submitted,

/s/ Ximena Granda
Controller

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2017 AS OF NOVEMBER 30, 2016
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE ($)	BUDGET VARIANCE (%)
Operating Revenues:																
Closing Fees	$ 230,038	$ 479,153	$ 745,423	$ 213,750	$ 432,506								$ 2,100,870	$ 1,453,500	$ 647,370	44.5%
Annual Fees	26,604	22,792	30,432	27,938	25,960								133,726	89,324	44,402	49.7%
Administrative Service Fees	161,000	-	-	-	20,000								181,000	22,917	158,083	689.8%
Application Fees	200	2,000	8,700	3,700	5,600								20,200	12,375	7,825	63.2%
Miscellaneous Fees	94	4,752	-	-	338								5,184	208	4,976	2392.3%
Interest Income-Loans	69,733	68,858	69,694	69,615	69,169								347,069	345,571	1,498	0.4%
Other Revenue	191	191	190	-	9,506								10,078	60,000	(49,922)	-83.2%
Total Operating Revenue:	**$ 487,860**	**$ 577,746**	**$ 854,439**	**$ 315,003**	**$ 563,079**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,798,127**	**$ 1,983,895**	**$ 814,232**	**41.0%**
Operating Expenses:																
Employee Related Expense	$ 155,025	$ 147,885	$ 170,978	$ 137,770	$ 138,406								$ 750,064	$ 1,012,662	$ (262,598)	-25.9%
Professional Services	45,724	60,685	89,585	75,798	81,641								353,433	784,599	(431,166)	-55.0%
Occupancy Costs	14,105	13,292	17,476	11,994	16,652								73,519	85,729	(12,210)	-14.2%
General & Administrative	28,385	29,354	26,935	26,112	25,458								136,244	168,931	(32,687)	-19.3%
Depreciation and Amortization	2,180	2,153	1,504	1,504	1,504								8,845	10,417	(1,572)	-15.1%
Total Operating Expense	**$ 245,419**	**$ 253,369**	**$ 306,478**	**$ 253,178**	**$ 263,661**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,322,105**	**$ 2,062,338**	**$ (740,233)**	**-35.9%**
Operating Income(Loss)	**$ 242,441**	**$ 324,377**	**$ 547,961**	**$ 61,825**	**$ 299,418**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,476,022**	**$ (78,443)**	**$ 1,554,465**	**1981.6%**
Nonoperating Revenues (Expenses):																
Miscellaneous Non-Opertg Rev/(Exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (625)	$ 625	-100.0%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	4,167	(4,167)	-100.0%
Interest and Investment Income*	15,017	21,911	123,568	15,493	17,776								193,765	130,780	62,985	48.2%
Realized Gain (Loss) on Sale of Invests	(2,890)	(298)	(626)	(105)	(317)								(4,236)	2,588	(6,824)	-263.7%
Net Appreciation (Depr) in FV of Invests	(14,294)	(20,518)	3,005	(7,744)	(26,990)								(66,541)	(49,766)	(16,775)	33.7%
Total Nonoperating Rev (Exp)	**$ (2,167)**	**$ 1,095**	**$ 125,947**	**$ 7,644**	**$ (9,531)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 122,988**	**$ 87,144**	**$ 35,844**	**41.1%**
Net Income (Loss) Before Transfers	**$ 240,274**	**$ 325,472**	**$ 673,908**	**$ 69,469**	**$ 289,887**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,599,010**	**$ 8,701**	**$ 1,590,309**	**18277.3%**
Transfers:																
Transfers in from other funds	$ 107,795	$ 1,502,594	$ 3,030,647	$ 6,405	$ 828,836								$ 5,476,277	$ -	$ -	0.0%
Transfers out to other funds	(107,795)	(1,502,594)	(3,030,647)	(6,405)	(228,358)								(4,875,799)	-	-	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,478**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,478**	**$ -**	**$ -**	**0.0%**
Net Income (Loss)	**$ 240,274**	**$ 325,472**	**$ 673,908**	**$ 69,469**	**$ 890,365**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,199,488**	**$ 8,701**	**$ 2,190,787**	**25178.6%**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
FOR FISCAL YEAR 2017 AS OF NOVEMBER 30, 2016
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND*	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:								
Closing Fees	$ 2,100,870	$ -	$ -	$ -	$ 2,100,870	$ -	$ 2,100,870	$ -
Annual Fees	133,726	-	-	-	133,726	-	133,726	-
Administrative Service Fees	181,000	-	-	-	181,000	-	181,000	-
Application Fees	20,200	-	-	-	20,200	-	20,200	-
Miscellaneous Fees	5,184	183,523	-	-	188,707	-	188,707	-
Interest Income-Loans	347,069	6,381	-	14,340	367,790	6,613,165	6,980,955	-
Other Revenue	10,078	-	-	1,107	11,185	-	11,185	-
Total Operating Revenue:	**$ 2,798,127**	**$ 189,904**	**$ -**	**$ 15,447**	**$ 3,003,478**	**$ 6,613,165**	**$ 9,616,643**	**$ -**
Operating Expenses:								
Employee Related Expense	$ 750,064	$ -	$ -	$ -	$ 750,064	$ -	$ 750,064	$ -
Professional Services	353,433	20	12	2,405	355,870	-	355,870	-
Occupancy Costs	73,519	-	-	-	73,519	-	73,519	-
General & Administrative	136,244	-	-	36	136,280	-	136,280	-
Interest Expense	-	-	-	1,288	1,288	6,908,125	6,909,413	-
Depreciation and Amortization	8,845	-	-	-	8,845	-	8,845	-
Total Operating Expense	**$ 1,322,105**	**$ 20**	**$ 12**	**$ 3,729**	**$ 1,325,866**	**$ 6,908,125**	**$ 8,233,991**	**$ -**
Operating Income(Loss)	**$ 1,476,022**	**$ 189,884**	**$ (12)**	**$ 11,718**	**$ 1,677,612**	**$ (294,960)**	**$ 1,382,652**	**$ -**
Nonoperating Revenues (Expenses):								
Miscellaneous non-opertg rev/(exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest and invesment income*	193,765	2,248	4,511	98,455	298,979	276,348	575,327	11
Realized Gain (Loss) on sale of investment*	(4,236)	-	-	(1,398)	(5,634)	(473)	(6,107)	-
Net Appreciation (Depr) in fair value of investments*	(66,541)	(235)	(90)	(66,201)	(133,067)	19,085	(113,982)	-
Total Nonoperating Revenues (Expenses)	**$ 122,988**	**$ 2,013**	**$ 4,421**	**$ 30,856**	**$ 160,278**	**$ 294,960**	**$ 455,238**	**$ 11**
Net Income (Loss) Before Transfers	**$ 1,599,010**	**$ 191,897**	**$ 4,409**	**$ 42,574**	**$ 1,837,890**	**$ -**	**$ 1,837,890**	**$ 11**
Transfers:								
Transfers in from other funds	$ 5,476,277	$ -	$ -	$ -	$ 5,476,277	$ -	$ 5,476,277	$ -
Transfers out to other funds	(4,875,799)	-	-	(600,478)	(5,476,277)	-	(5,476,277)	-
Total Transfers In (Out)	**$ 600,478**	**$ -**	**$ -**	**$ (600,478)**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**$ 2,199,488**	**$ 191,897**	**$ 4,409**	**$ (557,904)**	**$ 1,837,890**	**$ -**	**$ 1,837,890**	**$ 11**

ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
November 30, 2016
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:								
Current Assets:								
Unrestricted:								
Cash & cash equivalents	$ 19,856,523	$ -	$ -	$ 314,300	$ 20,170,823	$ -	$ 20,170,823	$ -
Investments	12,869,415	-	-	881,026	13,750,441	-	13,750,441	-
Accounts receivable, Net	333,828	-	-	-	333,828	-	333,828	-
Loans receivables, Net	10,315	-	-	-	10,315	-	10,315	-
Accrued interest receivable	576,987	-	-	4,204	581,191	-	581,191	-
Bonds and notes receivable	573,000	-	-	-	573,000	-	573,000	-
Due from other funds	25,619	-	-	-	25,619	-	25,619	-
Due from other local government agencies	-	-	-	2,333,795	2,333,795	-	2,333,795	-
Prepaid Expenses	170,140	-	-	-	170,140	-	170,140	-
Total Current Unrestricted Assets	**$ 34,415,827**	**$ -**	**$ -**	**$ 3,533,325**	**$ 37,949,152**	**$ -**	**$ 37,949,152**	**$ -**
Restricted:								
Cash & Cash Equivalents	$ -	$ 2,412,138	$ 2,618,160	$ 5,435,144	$ 10,465,442	$ 96,414,340	$ 106,879,782	$ 5,239
Investments	-	85,005	34,984	4,443,581	4,563,570	465,206,331	469,769,901	-
Accrued interest receivable	-	1,370	24	32,028	33,422	394,571	427,993	-
Due from other funds	-		-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-	-	-
Bonds and notes receivable from State component units	-		-	-	-	243,273	243,273	-
Loans receivables, Net	-	1,796,438	-	64,702	1,861,140	-	1,861,140	-
Total Current Restricted Assets	**$ -**	**$ 4,294,951**	**$ 2,653,168**	**$ 9,975,455**	**$ 16,923,574**	**$ 562,258,515**	**$ 579,182,089**	**$ 5,239**
Total Current Assets	**$ 34,415,827**	**$ 4,294,951**	**$ 2,653,168**	**$ 13,508,780**	**$ 54,872,726**	**$ 562,258,515**	**$ 617,131,241**	**$ 5,239**
Non-current Assets:								
Unrestricted:								
Investments	$ 4,873,535	$ -	$ -	$ 660,474	$ 5,534,009	$ -	$ 5,534,009	$ -
Loans receivables, Net	1,559,304	-	-	-	1,559,304	-	1,559,304	-
Bonds and notes receivable	15,457,337	-	-	-	15,457,337	-	15,457,337	-
Total Noncurrent Unrestricted Assets	**$ 21,890,176**	**$ -**	**$ -**	**$ 660,474**	**$ 22,550,650**	**$ -**	**$ 22,550,650**	**$ -**
Restricted:								
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	4,917,214	4,917,214	3,347,515	8,264,729	-
Funds in the custody of the Treasurer	-	202,127	25	17,977,939	18,180,091	-	18,180,091	-
Loans receivables, Net	-	18,261,413	1,572,960	1,260,235	21,094,608	-	21,094,608	-
Bonds and notes receivable from primary government	-	-	-	-	-	135,016,274	135,016,274	-
Bonds and notes receivable from State component units	-	-	-	-	-	30,365,840	30,365,840	-
Total Noncurrent Restricted Assets	**$ -**	**$ 18,463,540**	**$ 1,572,985**	**$ 24,155,388**	**$ 44,191,913**	**$ 168,729,629**	**$ 212,921,542**	**$ -**
Capital Assets								
Capital Assets	$ 802,192	$ -	$ -	$ -	$ 802,192	$ -	$ 802,192	$ -
Accumulated Depreciation	(778,276)	-	-	-	(778,276)	-	(778,276)	-
Total Capital Assets	**$ 23,916**	**$ -**	**$ -**	**$ -**	**$ 23,916**	**$ -**	**$ 23,916**	**$ -**
Total Noncurrent Assets	**$ 21,914,092**	**$ 18,463,540**	**$ 1,572,985**	**$ 24,815,862**	**$ 66,766,479**	**$ 168,729,629**	**$ 235,496,108**	**$ -**
Total Assets	**$ 56,329,919**	**$ 22,758,491**	**$ 4,226,153**	**$ 38,324,642**	**$ 121,639,205**	**$ 730,988,144**	**$ 852,627,349**	**$ 5,239**
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	$ -	$ -	$ -	$ -	$ -	$ 534,973	$ 534,973	$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 534,973**	**$ 534,973**	**$ -**
Total Assets & Deferred Inflows of Resources	**$ 56,329,919**	**$ 22,758,491**	**$ 4,226,153**	**$ 38,324,642**	**$ 121,639,205**	**$ 731,523,117**	**$ 853,162,322**	**$ 5,239**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
November 30, 2016
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:								
Current Liabilities:								
Payable from unrestricted current assets:								
Accounts payable	$ 24,405	$ -	$ -		$ 24,405	$ -	$ 24,405	$ -
Accrued liabilities	63,264	-	-	-	63,264	-	63,264	-
Due to employees	117,956	-	-	-	117,956	-	117,956	-
Due to primary government	85,001	-	-	-	85,001	-	85,001	-
Other liabilities	-	-	-	-	-	-	-	5,228
Unearned revenue, net of accumulated amortization	75,911	-	-	-	75,911	-	75,911	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 366,537**	**$ -**	**$ -**	**$ -**	**$ 366,537**	**$ -**	**$ 366,537**	**$ 5,228**
Payable from restricted current assets:								
Accrued interest payable	$ -	$ -	$ -	$ 3,091	$ 3,091	$ 7,224,263	$ 7,227,354	$ -
Due to other funds	-	-	-	25,619	25,619	-	25,619	-
Bonds and notes payable from primary government	-	-	-	-	-	11,991,537	11,991,537	-
Bonds and notes payable from State component units	-	-	-	-	-	1,530,000	1,530,000	-
Current portion of long term debt	-	-	-	60,584	60,584	2,205,295	2,265,879	-
Other liabilities	-	-	-	-	-	-	-	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**	**$ -**	**$ -**	**$ 89,294**	**$ 89,294**	**$ 22,951,095**	**$ 23,040,389**	**$ -**
Total Current Liabilties	**$ 366,537**	**$ -**	**$ -**	**$ 89,294**	**$ 455,831**	**$ 22,951,095**	**$ 23,406,926**	**$ 5,228**
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	$ 585	$ -	$ -	$ -	$ 585	$ -	$ 585	$ -
Assets	**$ 585**	**$ -**	**$ -**	**$ -**	**$ 585**	**$ -**	**$ 585**	**$ -**
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	$ -	$ -	$ -	$ -	$ -	$ 674,413,815	$ 674,413,815	$ -
Bonds and notes payable from State component units	-	-	-	-	-	34,158,207	34,158,207	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512	-	248,512	-
Noncurrent loan reserve	-	-	-	441,869	441,869	-	441,869	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ -**	**$ -**	**$ 690,381**	**$ 690,381**	**$ 708,572,022**	**$ 709,262,403**	**$ -**
Total Noncurrent Liabilities	**$ 585**	**$ -**	**$ -**	**$ 690,381**	**$ 690,966**	**$ 708,572,022**	**$ 709,262,988**	**$ -**
Total Liabilities	**$ 367,122**	**$ -**	**$ -**	**$ 779,675**	**$ 1,146,797**	**$ 731,523,117**	**$ 732,669,914**	**$ 5,228**
Net Position:								
Net Investment in Capital Assets	$ 23,916	$ -	$ -	$ -	$ 23,916	$ -	$ 23,916	$ -
Restricted for Locally Held Agricultural Guarantees	-	-	-	11,857,383	11,857,383	-	11,857,383	-
Restricted for Public Safety Loans	-	22,566,594	4,221,744	-	26,788,338	-	26,788,338	-
Restricted for Agricultural Guarantees and Rural Development Loans	-	-	-	19,190,729	19,190,729	-	19,190,729	-
Restricted for Renewable Energy Development	-	-	-	2,247,513	2,247,513	-	2,247,513	-
Restricted for Credit Enhancement	-	-	-	600,000	600,000	-	600,000	-
Restricted for Low Income Community Investments	-	-	-	12,225	12,225	-	12,225	-
Unrestricted	53,739,393	-	-	4,195,021	57,934,414	-	57,934,414	-
Current Change in Net Position	2,199,488	191,897	4,409	(557,904)	1,837,890	-	1,837,890	11
Total Net Position	**$ 55,962,797**	**$ 22,758,491**	**$ 4,226,153**	**$ 37,544,967**	**$ 120,492,408**	**$ -**	**$ 120,492,408**	**$ 11**
Total Liabilities & Net Position	**$ 56,329,919**	**$ 22,758,491**	**$ 4,226,153**	**$ 38,324,642**	**$ 121,639,205**	**$ -**	**$ 853,162,322**	**$ 5,239**

STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF December 1, 2016

As of December 1, 2016 the Illinois Finance Authority has purchased the following receivables on behalf of the State of Illinois, pursuant to Resolutions 2015-1112-AD11 and 2016-0211-AD07:

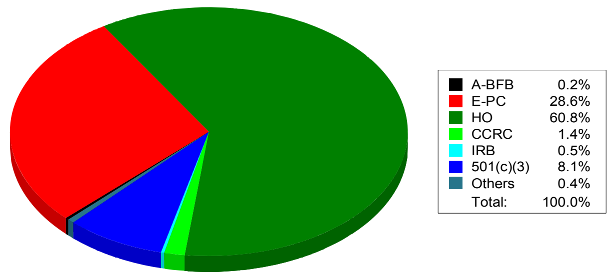
Vendor	Payment dates	Amount
Cosgrove Distributors Inc.	12/21/2015	$9,225.92
	Payment received by IFA	($9,225.92)
	Balance due from Cosgrove Distributors	$0.00
Grayboy Building Maintenance	12/16/2015	$15,790.36
	Payment received by IFA	($15,789.33)
	Balance due from Grayboy Building Maint.	$1.03
M. J. Kellner Co. Inc.	12/28/2015	$1,806,912.20
M. J. Kellner Co. Inc.	3/31/2016	1,929,224.10
	Payment received by IFA	($3,440,873.17) *
	Balance due from M.J. Kellner	$295,263.13
Smith Maintenance Company	11/25/2015	$251,665.26
Smith Maintenance Company	12/29/2015	125,832.63
Smith Maintenance Company	2/10/2016	129,811.11
Smith Maintenance Company	3/21/2016	151,826.83
Smith Maintenance Company	4/14/2016	151,826.83
Smith Maintenance Company	5/19/2016	151,826.83
Smith Maintenance Company	6/23/2016	107,795.38
Smith Maintenance Company	7/21/2016	107,795.38
		$1,178,380.25
	Payment received by IFA	(1,178,380.25)
	Balance due from Smith Maintenance	$0.00
Sysco St. Louis LLC	12/16/2015	$32,418.85
	Total State of Illinois Assigned/Purchased Receivables	**$4,971,951.65**
	Total State of Illinois Assigned/Purchased Receivables Payment Received	**$4,644,269.67**
	Balance due from State of Illinois Assigned/Purchased Receivables	**$327,681.98**

- **Substitution of approximately $471,750 in assigned receivables in process with CMS and DOC**

Bonds Issued - Fiscal Year Comparison
for the Period Ending November 30, 2016

Fiscal Year 2015

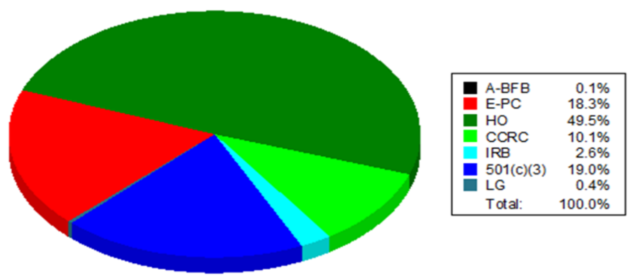
Bonds Issued in Fiscal Year 2015



#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	4,154,742
4	Education	788,149,000
11	Healthcare - Hospital	1,416,385,000
1	Healthcare - CCRC	39,640,000
2	Industrial Revenue	14,000,000
11	501(c)(3) Not-for-Profit	236,986,075
1	Local Government	12,000,000
45		$ 2,511,314,817

Fiscal Year 2016

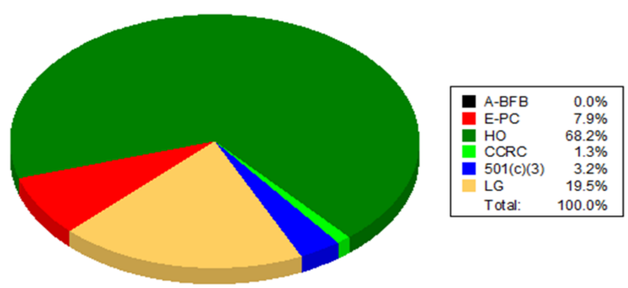
Bonds Issued in Fiscal Year 2016



#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	3,762,495
10	Education	692,515,000
13	Healthcare - Hospital	1,869,903,000
6	Healthcare - CCRC	381,762,000
1	Industrial Revenue	100,000,000
9	501(c)(3) Not-for-Profit	717,050,000
1	Local Government	14,540,000
54		$3,779,532,495

Fiscal Year 2017

Bonds Issued in Fiscal Year 2017



#	Market Sector	Principal Issued
6	Agriculture - Beginner Farmer	944,400
3	Education	201,555,000
8	Healthcare - Hospital	1,749,397,000
1	Healthcare - CCRC	32,500,000
3	501(c)(3) Not-for-Profit	80,810,000
1	Local Government	500,000,000
22		$2,565,206,400

Bond Issuance Analysis

The Authority issued $453,437,250 in conduit debt during the month of November, 2016. This is 88% higher than November, 2015 at $52,952,000. This is also 93% higher than the previous month's issuance at $30,000,000. Total issuance for FY 2017 is $2,565,206,400. This is 28% higher than the same period as of November 30, 2015 at $1,855,210,850. The IFA issued four bonds during the month of November, 2016. These bonds are 18% of the total issuance for the FY 2017.

Bonds Issued and Outstanding
as of
November 30, 2016

Bonds Issued between July 01, 2016 and November 30, 2016

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginning Farmer Bonds	07/01/2016	Variable	944,400	0
E-PC	Illinois Wesleyan University	07/13/2016	Fixed at Schedule	56,775,000	56,775,000
501(c)(3)	Better Housing Foundation	07/29/2016	Fixed at Schedule	13,560,000	0
E-PC	Mount Carmel High School	08/01/2016	Variable	22,000,000	13,200,000
HO	The Newman Foundation	08/02/2016	Variable	32,667,000	32,667,000
HO	Presence Health	08/16/2016	Fixed at Schedule	1,000,000,000	1,000,000,000
CCRC	Smith Village	08/17/2016	Variable	32,500,000	32,500,000
501(c)(3)	The Art Institute of Chicago	08/25/2016	Fixed at Schedule	37,250,000	37,250,000
E-PC	DePaul University	09/01/2016	Fixed at Schedule	122,780,000	115,000,000
LG	Clean Water Initiative	09/12/2016	Fixed at Schedule	500,000,000	0
HO	OSF HealthCare System	09/27/2016	Fixed at Schedule	114,375,000	100,710,000
HO	Riverside Medical Center	09/27/2016	Fixed at Schedule	79,545,000	79,545,000
HO	The Moorings of Arlington Heights, LLC	09/30/2016	Fixed at Schedule	69,615,000	0
501(c)(3)	Museum of Contemporary Art Chicago	10/27/2016	Variable	30,000,000	0
HO	The University of Chicago	11/02/2016	Fixed at Schedule	187,320,000	187,320,000
HO	The Carle Foundation, Series 2016A	11/08/2016	Variable	184,385,000	56,000,000
HO	The Carle Foundation, Series 2016B- Taxable	11/08/2016	Variable	50,000,000	0
HO	Ness HealthCare NFP	11/10/2016	Fixed at Schedule	31,490,000	0
		Total Bonds Issued as of November 30, 2016		$ 2,565,206,400	$ 1,710,967,000

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.

ILLINOIS FINANCE AUTHORITY

Beginner Farmer Bonds Funded between July 01, 2016 and November 30, 2016

Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
07/29/2016	3.25	122,400	40.00	Jasper
09/08/2016	3.00	83,750	45.00	Richland
09/08/2016	3.25	401,000	45.00	Edgar
09/15/2016	3.25	47,500	40.00	Clay
09/15/2016	3.25	47,500	40.00	Clay
11/01/2016	3.25	242,250	99.55	Richland
Total Beginner Farmer Bonds Issued		$ 944,400	210.00	

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

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the $28.15B cap in Section 845-5(a).

Section I (a)

	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 48,260,274	$ 49,204,674		
Education	4,445,960,359	4,395,022,068		
Healthcare	14,405,422,474	15,130,477,713		
Industrial Development [includes Recovery Zone/Midwest Disaster]	777,192,893	764,579,481		
Local Government	315,810,000	803,270,000		
Multifamily/Senior Housing	157,262,660	156,616,006		
501(c)(3) Not-for Profits	1,565,340,114	1,598,119,310		
Exempt Facilities Bonds	149,915,000	149,915,000		
1 **Total IFA Principal Outstanding**	**$ 21,865,163,774**	**$ 23,047,204,252**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	77,000,000	77,000,000		
Industrial Development	205,383,747	203,704,244		
Local Government	263,060,103	228,682,364		
Multifamily/Senior Housing	83,679,117	83,639,117		
501(c)(3) Not-for Profits	607,654,373	588,763,200		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	**$ 1,237,273,728**	**$ 1,182,285,312**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 617,984,999**	**$ 454,754,998**		
Illinois Educational Facilities Authority "IEFA"	**$ 459,193,000**	**$ 457,197,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 13,436,353**	**$ 13,436,353**		
Total Illinois Finance Authority Debt	**$ 24,193,051,854**	**$ 25,154,877,915**	**$ 28,150,000,000**	**$ 2,995,122,085**

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]

Section I (b)

	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
*Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	34,885,000	33,425,000		
Total General Moral Obligations	**$ 34,885,000**	**$ 33,425,000**	**$ 150,000,000**	**$ 116,575,000**

* All the Local Government bonds were defeased as of August 1, 2014.

	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	99,938,207	589,668,025		
Total State Component Unit Bonds	**$ 99,938,207**	**$ 589,668,025**		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwestern Disaster Area Bonds in Illinois. This Federal program expired as of December 31, 2012.

Section I (c)

	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Remaining MDAB Volume Cap
Midwestern Disaster Area Bonds [Flood Relief]	**$ 64,440,918**	**$ 64,159,442**	**N/A**

Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated [h]	City/Counties Ceded Voluntarily to/(by) IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
Recovery Zone Economic Development Bonds**	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	N/A
Recovery Zone Facilities Bonds**	**$ 1,000,457,000**	**$ 204,058,967**	**$ 214,849,804**	N/A
Qualified Energy Conservation Bonds***	**$ 133,846,000**	**$ (17,865,000)**	**$ 82,795,000**	**IFA Cap: $4,755,783 Cities/Counties Cap: $46,295,717**

** Programs expired as of 12/31/2010. There have been no new issues subsequent to the expiration date of these Federal programs.

*** The IFA manages the QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. *IFA's remaining QECB allocation of $4,755,783 has been reserved for use by state universities.*

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

Section II	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity
Illinois Power Agency	$ -	$ -	$ 4,000,000,000	$ 4,000,000,000

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	$ -	$ -	$ 3,000,000,000 [d]	$ 3,000,000,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,070,033*	$ 6,824,437	$ 6,920,169	$ 160,000,000	$ 153,079,831	$ 5,882,143
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,896,922*	$ 7,111,930	$ 7,631,020	$ 225,000,000 [e]	$ 217,368,980	$ 6,486,367
Agri Industry Loan Guarantee Program	$ 3,693,098	$ 3,360,673			2,856,572
Farm Purchase Guarantee Program	886,805	878,248			746,511
Specialized Livestock Guarantee Program	1,681,563	2,547,477			2,165,356
Young Farmer Loan Guarantee Program	850,464	844,622			717,929
Total State Guarantees	$ 13,936,368	$ 14,551,189	$ 385,000,000	$ 370,448,811	$ 12,368,511

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85

Section V			Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Cash and Investment Balance
132	Fire Truck Revolving Loan Program	Fund # 572	$ 21,265,564	$ 20,107,814 *	$ 1,763,104 *
8	Ambulance Revolving Loan Program	Fund # 334	$ 247,280	$ 1,472,960 *	$ 3,016,514 *

Note: Due to deposits in transit, the Fund Balance at the IOC may differ from the IFA General Ledger. In May, 2014 the OSF transferred the Fund Balance to a Locally Held Fund by the IFA.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 15,535,000	$ 14,575,000		
Issued through IDFA	110,520,000	110,520,000		
Total Environmental [Large Business]	$ 126,055,000	$ 125,095,000	$ 2,425,000,000	$ 2,299,905,000
Environmental [Small Business]	$ -	$ -	$ 75,000,000	$ 75,000,000
Total Environment Bonds Issued under Act	$ 126,055,000	$ 125,095,000	$ 2,500,000,000	$ 2,374,905,000

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016
Participation Loans			
Business & Industry	23,020,158	422,129	106,336
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	422,129	106,336
Plus: Legacy IDFA Loans in Default		843,173	843,173
Less: Allowance for Doubtful Accounts		960,726	960,726
Total Participation Loans		288,943	(11,216)
Local Government Direct Loans	1,289,750	103,000	94,000
Rural Bond Bank Local Government Note Receivable		17,179,937	16,030,337 *
FmHA Loans	963,250	185,778	170,668
Renewable Energy [RED Fund]	2,000,000	1,206,055	1,165,415
Total Loans Outstanding	34,353,017	18,963,713	17,449,204

IRBB funds were defeased and transferred into a note receivable with the IFA.

Higher Education Loan Act (110 ILCS 945 or "HELA")

Section VIII	Principal Outstanding June 30, 2016	Principal Outstanding November 30, 2016	Statutory Debt Limitation	Remaining HELA Debt Limitation
Midwestern University Foundation - Student Loan Program Revenue Bonds	$ 15,000,000	$ 15,000,000	$ 200,000,000 [d]	$ 185,000,000

[a] Total subject to change; late month payment data may not be included at issuance of report.
[b] State Component Unit Bonds included in balance.
[c] Does not include Unamortized issuance premium as reported in Audited Financials.
[d] Program Limitation reflects the increase to $3 billion effective 01/01/2010 under P.A. 96-103.
[e] Program Limitation reflects the increase from $75 million to $225 million effective 01/01/2010 under P.A. 96-103.
[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
[g] Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.
[h] Recovery Zone Facility Revenue Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]
[i] Includes EPA Clean Water Revolving Fund
* Loan, Cash and investment balances are as of Oct 30, 2016.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT
BOARD OF DIRECTORS MEETING
DECEMBER 8, 2016

I. CONTRACTS/AMENDMENTS EXECUTED					
A. Illinois Procurement Code-Small Purchases	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
	SHI International Corp.	2 yrs.	$4,560	Basic Ordering Agreement executed.	Enterprise mobile device management software - replaces current end-of-life technology. System provides control over mobile devices.
	Network Solutions	1 yr.	$38	Order executed.	Renews domain redirect - redirects internet searches to the IFA domain.
	Network Solutions	1 yr.	$76	Order executed.	Renews domain name registration for il-fa.com.
B. Anticipation of Litigation	Jenner & Block LLP	2 yrs.	$250,000	Amendment executed.	Evaluation and advice on litigation matters.
	G&R Public Law & Strategies, LLC	2 yrs.	$100,000	Amendment executed.	Evaluation and advice on litigation matters.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT
BOARD OF DIRECTORS MEETING
DECEMBER 8, 2016

II. CONTRACTS PENDING EXECUTION					
A. Anticipation of Litigation	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
	Jenner & Block LLP	02/10/17	$350,000	Parties to execute Amendment.	Evaluation and advice on litigation matters.
B. IFA Exemption for Legal, Financial and other Professional and Artistic Services	Clear Arc Capital, Inc.	12/26/16	$900,000	Parties to execute Amendment.	Structure and manage a pooled fixed income investment portfolio.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT
BOARD OF DIRECTORS MEETING
DECEMBER 8, 2016

III. EXPIRED AND EXPIRING CONTRACTS					
A. Illinois Procurement Code-Competitive Bids/Proposals	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
	Amalgamated Bank of Chicago	12/31/16	$7000	Request for Proposal completed. Evaluation in process. Anticipated award late December 2016.	Safekeeping of assets, cash and securities.
	Accounting Principals, Inc.	12/23/16.	$49,000	Invitation for Bid completed. Evaluation in process. Anticipated award late December 2016.	Short term Temporary Accounting/Procurement Staffing.
	Catalyst Consulting, Inc.	12/31/16	$67,500	Request for Proposal in process. Anticipated award February 2017.	Provide personnel as needed to support, maintain and advise on Agency IT and phone systems.
	Mabsco, Inc.	12/31/16	$75,000	Request for Proposal in Process. Anticipated award February 2017.	Service Agency Loan portfolio and Loan Programs.
	Noresco	11/15/16	N/A	Will not be renewed.	Financing for energy efficient projects.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT
BOARD OF DIRECTORS MEETING
DECEMBER 8, 2016

III. EXPIRED AND EXPIRING CONTRACTS (cont'd)					
B. Illinois Procurement Code-Intergovernmental	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
	IDOT	12/31/16	$112,500	Will not be renewed.	Illinois Department of Transportation – procure and select a rating agency.
C. Illinois Procurement Code-Small Purchases	Iron Mountain	12/31/16	$2,750	Will not be renewed.	Records Management Services - storage and destruction.
	Kerber, Eck & Braeckel	01/24/17	$17,300	Project completed. Will not be renewed.	GASB 72 Accounting and financial reporting services.
	First Choice Coffee Services	02/1/17	$699	To be renewed.	Water filtration annual lease for Chicago facility.
	DropBox	02/18/17	$1,670	To be renewed.	Cloud based file sharing.
	Kanban	03/31/17	$1,380	To be renewed.	Project Tracking.
	USPS	03/31/17	$348	To be renewed.	PO Box.
	Xerox	04/1/17	$23,245	To be renewed.	Copier lease Chicago.
	Xerox	04/1/17	$5,723	To be renewed.	Copier lease Mt. Vernon.
D. IFA Exemption for Legal, Financial and other Professional and Artistic Services	Ziegler Lotsoff Capital Management	12/4/16	$43,750	Will not be renewed.	Investment Management Services.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher and Patrick Evans

Date: December 8, 2016

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 $520,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $135,000**
- **Calendar Year Summary:** (as of December 8, 2016)
  - Volume Cap: $10,000,000
  - Volume Cap Committed: $3,591,620
  - Volume Cap Remaining: $6,408,110
  - Average Farm Acreage: 64
  - Number of Farms Financed: 18
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2016 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:	**30379**
Borrower(s):	**Emmerich, Ben John**
Borrower Benefit:	First Time Land Buyer
Town:	Wheeler, IL
IFA Bond Amount:	**$135,000**
Use of Funds:	Farmland – 60 acres of farmland
Purchase Price - Total (Land + Imprvmnts.):	$270,000
Net Farmland Purchase Price – 60 Acres:	**$240,000 *($4,000 per acre*)**
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing to Bond)*
%IFA (Bank-purchased Bond)	50%
Township:	North Muddy
Counties/Regions:	Jasper / Southeastern
Lender/Bond Purchase:	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 January 15, 2018. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 15, 2018 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

ILLINOIS FINANCE AUTHORITY

CONDUIT

December 8, 2016

$150,000,000
Southern Illinois Healthcare Enterprises, Inc.

REQUEST	**Purpose**: Bond proceeds will be used by **Southern Illinois Healthcare Enterprises, Inc.** ("**SIHE**", "**SIH**" or the "**Corporation**") and Southern Illinois Hospital Services (the "**Hospital**" and, together with the Corporation, the "**Users**") to (i) advance refund all of the Series 2005 Bonds, (ii) reimburse SIH for their conversion to EPIC (electronic medical records system), (iii) pay eligible costs related to the new Southern Illinois University ("SIU") building including housing for medical students and clinical operations, (iv) to purchase Corporation headquarters, and (v) raise additional capital for a miscellaneous projects fund. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record (November 10, 2016) – Preliminary Bond Resolution – 13 Yeas; 0 Nays; 0 Abstain; 1 Absent; 1 Not Voting (McCoy).
MATERIAL CHANGES	300 Construction jobs estimated.
JOB DATA	3,495 Current jobs; N/A New jobs projected N/A Retained jobs; 300 Construction jobs projected
DESCRIPTION	● Southern Illinois Healthcare Enterprises, Inc. ("**SIHE**") is a 293-bed three-hospital system located in the Carbondale area (Jackson County and Williamson County), Illinois and consisting of: – Memorial Hospital of Carbondale (154 beds) – Herrin Hospital (114 beds) – St. Joseph Memorial Hospital (25-bed CAH located in Murphysboro, Illinois)
SECURITY	● The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("**MTI**"). To secure the prompt payment of the principal of and interest on and any premium on each Obligation, each Member pledges, assigns and grants to the Master Trustee, an assignment of and security interest in the Gross Revenues of each Member.
CREDIT INDICATORS	● The Bonds will be rated. SIHE maintains an 'A+'/Stable rating and outlook from both S&P and Fitch.
STRUCTURE	● A separate series of taxable and tax-exempt fixed rate Bonds will be sold in a public underwriting by Bank of America Merrill Lynch, Pierce, Fenner & Smith Incorporated.
SOURCES AND USES	**Sources:** IFA Bonds $150,000,000 **Total** **$150,000,000** **Uses**: Project Fund $77,500,000 Refunded Bonds 70,000,000 Cost of Issuance 2,500,000 **Total** **$150,000,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 8, 2016

Project: Southern Illinois Healthcare Enterprises, Inc.

STATISTICS

Project Number:	12368	Amount:	$150,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Cities:	Carbondale, Herrin, Murphysboro	Counties/Region:	Jackson County and Williamson County/Southern

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
Credit Review Committee recommends approval.

No IFA Funds at Risk
No Extraordinary Conditions

VOTING RECORD

Voting Record (November 10, 2016) – Preliminary Bond Resolution – 13 Yeas; 0 Nays; 0 Abstain; 1 Absent; 1 Not Voting (McCoy).

PURPOSE

Bond proceeds will be used by **Southern Illinois Healthcare Enterprises, Inc.** ("**SIHE**", "**SIH**" or the "**Corporation**") and Southern Illinois Hospital Services (the "**Hospital**" and, together with the Corporation, the "**Users**") to (i) advance refund all of the Series 2005 Bonds, (ii) reimburse SIH for their conversion to EPIC (electronic medical records system), (iii) pay eligible costs related to the new Southern Illinois University ("SIU") building including housing for medical students and clinical operations, (iv) to purchase Corporation headquarters, and (v) raise additional capital for a miscellaneous projects fund.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	3,495	Projected new jobs:	N/A
Retained Jobs:	N/A	Construction jobs:	300

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$150,000,000	Project Fund	$77,500,000
		Refunded Bonds	$70,000,000
		Cost of Issuance	$2,500,000
Total	**$150,000,000**	**Total**	**$150,000,000**

FINANCING SUMMARY

Security:	The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("**MTI**"). To secure the prompt payment of the principal of and interest on and any premium on each Obligation, each Member pledges, assigns and grants to the Master Trustee, an assignment of and security interest in the Gross Revenues of each Member.
Structure:	A separate series of taxable and tax-exempt fixed rate Bonds will be sold in a public underwriting by Bank of America Merrill Lynch, Pierce, Fenner & Smith Incorporated.
Interest Rate:	To be determined at pricing based on market conditions.
Interest Mode:	Fixed Rate
Maturity:	2046
Rating:	The Bonds will be rated. SIHE maintains an 'A+'/Stable rating from both S&P and Fitch.
Estimated Closing Date:	December 28, 2016

PROJECT SUMMARY

Bond proceeds will be used by **Southern Illinois Healthcare Enterprises, Inc.** ("**SIHE**", "**SIH**" or the "**Corporation**") and Southern Illinois Hospital Services (the "**Hospital**" and, together with the Corporation, the "**Users**") to (i) advance refund all of the Series 2005 Bonds, (ii) reimburse SIH for their conversion to EPIC (electronic medical records system), (iii) pay eligible costs related to the new Southern Illinois University ("SIU") building including housing for medical students and clinical operations, (iv) to purchase Corporation headquarters, and (v) raise additional capital for miscellaneous project fund.

BUSINESS SUMMARY

Southern Illinois Healthcare Enterprises, Inc. ("SIH") is a 293-bed three-hospital system located in and around Carbondale, Illinois, consisting of:

- Memorial Hospital of Carbondale (154 beds)
- Herrin Hospital (114 beds)
- St. Joseph Memorial Hospital (25-bed CAH located in Murphysboro, Illinois)

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Southern Illinois Healthcare Enterprises, Inc.
Location:	1239 E. Main University Mall Carbondale, Illinois 62901
Project name:	Southern Illinois Healthcare (Series 2016)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Michael Kasser, Vice President, Chief Financial Officer, Treasurer mike.kasser@sih.net 618.457.5200

<u>Board of Directors:</u>

W. Eugene Basanta, Chair	Terrence Glennon, MD, Vice Chair
Marlene Simpson (Secretary)	Harold Bardo
Rex Budde	Kathleen Fralish
Mike Hudson	Morton Levine
Debra McMarrow	Bob Mees
George O'Neill	Steven Sabens
Parviz Sanjabi, MD	

PROFESSIONAL & FINANCIAL

Financial Advisor:	Hammond Hanlon Camp LLC	Chicago	Victoria Poindexter
Borrower's Counsel:	Dentons US LLP	Chicago	Kathryn Ashton
Bond Counsel:	Chapman and Cutler	Chicago	Rich Tomei
Underwriter:	Bank of America Merrill Lynch	Chicago	Joe Hegner
Underwriter's Counsel:	Nixon Peabody	Chicago	Tom Fahey
Issuer's Counsel:	Miller, Hall & Triggs LLC	Peoria	Richard Joseph
Issuer's Financial Advisor:	Acacia Financial Group Inc.	Chicago	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	12
State Senate:	56
State House:	111

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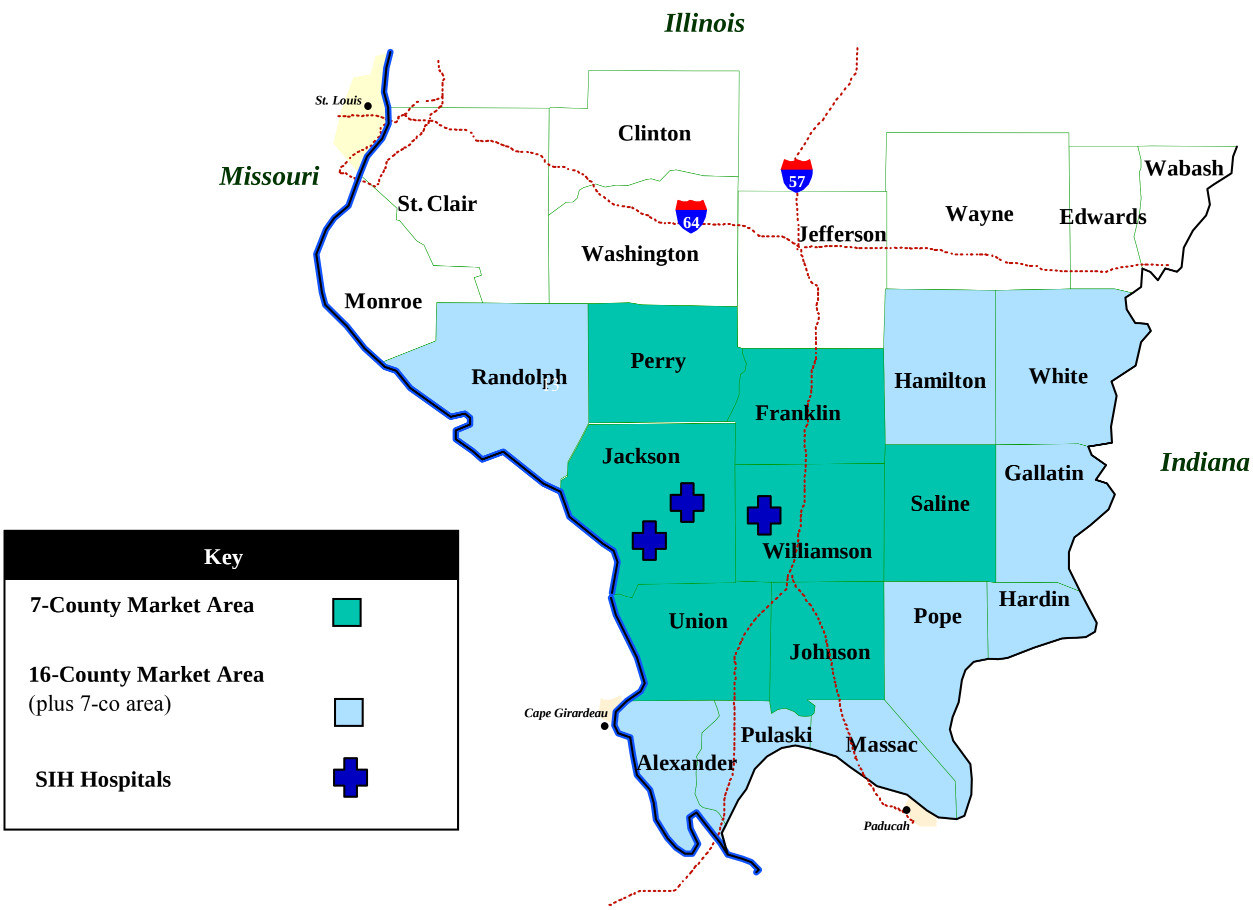
SERVICE AREA

In FY16, Memorial, Herrin and St. Joseph drew 92.5% of their inpatients from a forty-mile, seven-county area surrounding the Hospitals. The PSA is made up of Franklin, Jackson, Johnson, Perry, Saline, Union and Williamson counties.

The base market area of Franklin, Jackson and Williamson counties accounted for 72.4% of combined discharges and together, the Hospitals had a 65.5% market share in this area. The Hospitals maintained a 34.1% market share of the key additional market area of Johnson, Perry, Saline, and Union counties.



CONDUIT

$50,800,000
Swedish Covenant Hospital

December 8, 2016

REQUEST	**Purpose**: Proceeds will be used by **Swedish Covenant Hospital** (the "**Swedish**" or the "**Borrower**"), (i) to currently refund all or a portion of the 2008A Bonds, and (ii) to pay for the cost of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (One-time consideration).
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	1,695 Current jobs — N/A New jobs projected N/A Retained jobs — N/A Construction jobs projected
DESCRIPTION	● Location: Chicago (Cook County) ● Swedish Covenant Hospital is an Illinois not-for-profit corporation which operates an acute care, community and teaching hospital on the Northwest Side of Chicago. The Swedish was founded in 1886 by The Evangelical Covenant Church (the "**Church**") and was known as the Swedish Home of Mercy. The Swedish is licensed by the State of Illinois for 312 beds, of which 306 were in service as of June 30, 2016. The Swedish has received a determination letter from the Internal Revenue Service ("**IRS**") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "**Code**") as an organization described in Section 501(c)(3) of the Code. ● The Swedish offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Swedish' inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Swedish' service area. The Swedish operates several satellite primary care facilities in various sections of its service area.
SECURITY	● The 2016 bondholders will have a security interest in the Unrestricted Receivables of the Obligated Group.
CREDIT INDICATORS	● Swedish's long-term ratings are currently 'BBB+'/'BBB+' (S&P/Fitch).
STRUCTURE	● The plan of finance contemplates a bank direct purchase by PNC Bank and Fifth Third Bank. ● Bonds will mature no later than 2056.
SOURCES AND USES	See below.
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		Uses:	
IFA Bonds	$50,800,000	IFA Bonds	$49,525,000
		*Costs of Issuance	1,275,000*
Total	**$50,800,000**	**Total**	**$50,800,000**

*****_Estimated_

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 8, 2016

Project: Swedish Covenant Hospital

STATISTICS

Project Number:	12369	Amount:	$50,800,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Location:	Chicago	County/Region:	Cook/Northeast

BOARD ACTION

Final Bond Resolution (*One-time consideration*)
Conduit 501(c)(3) Revenue Bonds
Credit Review Committee recommends approval.

No IFA Funds at Risk
No Extraordinary Conditions

VOTING RECORD

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

PURPOSE

Proceeds will be used by **Swedish Covenant Hospital** (the "**Swedish**" or the "**Borrower**"), (i) to currently refund all or a portion of the 2008A Bonds, and (ii) to pay for the cost of issuance.

VOLUME CAP

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

IFA PROGRAM AND CONTRIBUTION

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

JOBS

Current employment:	1,695	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

IFA Bonds	$50,800,000	IFA Bonds	$49,525,000
		*Costs of Issuance	1,275,000*
Total	**$50,800,000**	**Total**	**$50,800,000**

*****Estimated*

FINANCING SUMMARY

Security:	The Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group.
Structure:	The tax-exempt fixed rate Bonds will be bank direct purchase by (i) PNC Bank and (ii) Fifth Third Bank.
Interest Rate:	70% of 1-month LIBOR + 95-115 bps
Interest Mode:	Variable Rate

Credit Enhancement: None

Maturity: Bonds will mature no later than 2056 (Not-to-exceed parameter)

Rating: Swedish's long-term ratings are currently 'BBB+'/'BBB+' (S&P/Fitch).

Estimated Closing Date: December 14, 2016

PROJECT SUMMARY

Proceeds will be used by **Swedish Covenant Hospital** (the "**Swedish**" or the "**Borrower**"), (i) to currently refund all or a portion of the 2008A Bonds, and (ii) to pay for the cost of issuance.

BUSINESS SUMMARY

Swedish Covenant Hospital (the "**Swedish**") is an Illinois not-for-profit corporation that operates an acute care, community and teaching hospital on the Northwest Side of Chicago. The Swedish was founded in 1886 by The **Evangelical Covenant Church** (the "**Church**") and was known as the Swedish Home of Mercy. The Swedish is licensed by the State of Illinois for 312 beds, of which 306 were in service as of June 30, 2016. The Swedish has received a determination letter from the Internal Revenue Service ("**IRS**") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "**Code**") as an organization described in Section 501(c)(3) of the Code.

The Swedish offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Swedish' inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Swedish' service area. The Swedish operates several satellite primary care facilities in various sections of its service area.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower: Swedish Covenant Hospital
5145 North California Avenue
Chicago, IL 60625

Contact: Tom Garvey, Chief Financial Officer

Website: www.swedishcovenant.org

Board of Directors:	Ex Officio:
Adair, Charles L.	Anderson, Lawrence P.
Anderson, Kurt D.	Dwight, David A.
Archibald, Carolin	Guaccio, Anthony
Banks, Lyle	Suricci, Arminio M.D.
Baughman, Michael J., *Secretary*	Walter, Rev. Gary B.
Curran, Ronald D.	
DiBenedetto, Vincent	
Federer, Clark M.D.	
McNulty, Bruce M.D.	
Olson, Christopher J., *Vice Chair*	
Pyra, Thomas M., *Chair*	
Reyna-Hickey, Bea	
Schotz, Debra	
Sullivan, Chris	
Swanson, John A.	
Tilkin, Jeffrey M.D.	
Werling, Kristian A.	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Bond Counsel:	Chapman and Cutler LLP	Chicago	Rich Tomei
Financial Advisor:	Ponder & Company	Chicago	Jennifer Brown
Banks:	PNC Bank	Chicago	Rosemary Mauck
	Fifth Third Bank	Chicago	Stan Rosenfield
Banks Counsel:	Chapman and Cutler LLP	Chicago	Carol Thompson
IFA Counsel:	Ice Miller LLP	Chicago	Jim Snyder
IFA Financial Advisor:	Sycamore Advisors LLC	Indianapolis	Courtney Tobin

LEGISLATIVE DISTRICTS

Congressional:	5
State Senate:	7
State House:	13

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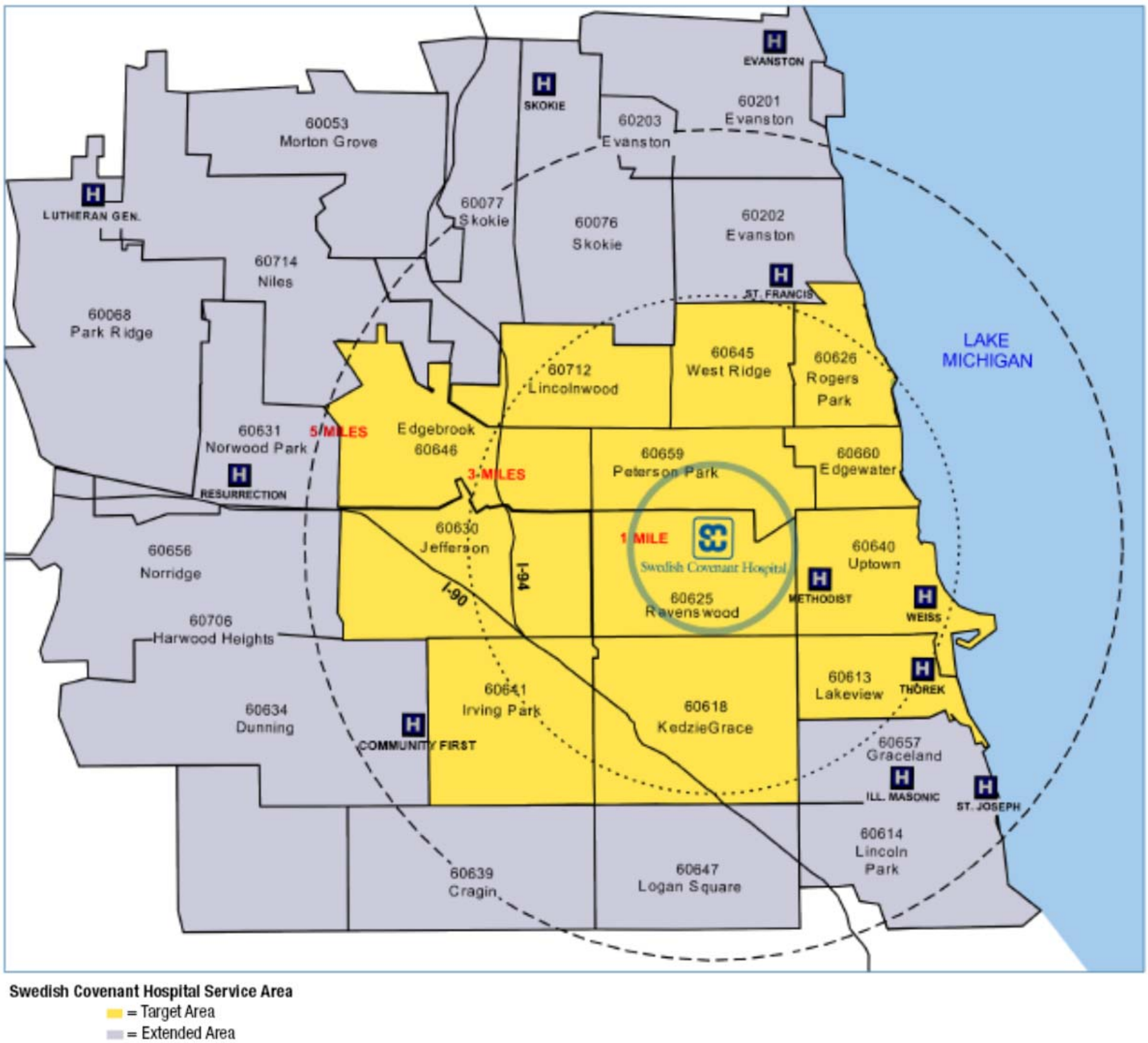
SERVICE AREA

Swedish Covenant Hospital's primary service area covers the north side of the City of Chicago and the Village of Lincolnwood. The primary service area is bounded by Touhy Avenue and Howard Street to the north, Lake Michigan to the east, Diversey Avenue to the south and Nagel Avenue to the west. The primary service area is six miles long, nearly seven miles wide at the northern boundary and six miles wide at the southern boundary. Travel time from Swedish Covenant Hospital's facilities to the most distant parts of the primary service area is 30 to 45 minutes.



ILLINOIS FINANCE AUTHORITY

CONDUIT

December 8, 2016

$55,000,000
Covenant Retirement Communities, Inc.

REQUEST	**Purpose**: Bond proceeds will be used to refund Covenant Retirement Communities, Inc. ("**CRC**" or the "**Borrower**") Series 2011A & B Bonds and pay cost of issuance. The Series 2011A&B Bonds were issued to refund outstanding bonds for projects in Illinois (Batavia, Northbrook and Carol Stream), and in Westminster, Colorado. The Bonds that were refunded with the Series 2011 Bonds included prior Illinois and Colorado Bonds, as well as certain "system" bonds. **Program**: Conduit 501(c)(3) Revenue Bonds (Multi-State) **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (One-time consideration)
MATERIAL CHANGES	This is the first time this project is being presented to the Board.
JOB DATA	653 Current jobs (IL) — N/A New jobs projected N/A Retained jobs — N/A Construction jobs projected
DESCRIPTION	• CRC's Illinois locations are in Cook, DuPage and Kane Counties. (The subject financing will also refinance prior bonds issued for a CRC facility in Westminster, Colorado.) • CRC is an Illinois 501(c)(3) eligible corporation organized in 1986. • As of December 31, 2015, the Obligated Group of CRC had 15 communities, 12 of which were continuing care retirement communities, with 4,771 total units consisting of 3,127 independent living apartments, 694 assisted living units and 950 nursing beds. The non-obligated group of CRC, Covenant Retirement Services (CRS), owns and operated two continuing care retirement communities and one rental community, with 244 total units, consisting of 142 independent living apartments, 68 assisted living units and 34 nursing beds. The communities of CRC and CRS operate in 10 states. • In the 2015 publication of the *LeadingAge Ziegler 150* (a joint venture of Leading Age and Ziegler), CRC was ranked as the 5th largest not-for-profit senior living provider of market rate housing in the United States. • CRC System-wide locations outside Illinois include facilities in Washington, California, Minnesota, Florida, Michigan, Colorado and Connecticut.
SECURITY/MATURITY	• Security: The 2016 bondholders will have a mortgage and a security interest in the Unrestricted Receivables of the Obligated Group. • Maturity: No later than 2034 (23 years)
CREDIT INDICATOR	• Covenant Retirement Communities, Inc. has an underlying rating of 'BBB+' from Fitch.
STRUCTURE	• The plan of finance contemplates a bank direct purchase by Bank of America.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		Uses:	
IFA Bonds	$55,000,000	Refunding Escrow	$ 54,500,000
Equity Contribution*		Costs of Issuance	500,000
Total	**$55,000,000**	**Total**	**$55,000,000**

***If needed, an equity contribution will be made to cover any costs of issuance in excess of the 2% tax limit. An equity contribution is assumed to not be needed for this financing.**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 8, 2016

Project: Covenant Retirement Communities, Inc.

STATISTICS

Project Number: 12373
Type: 501(c)(3) Bonds
Cities: Batavia, Carol Stream, Northbrook, IL and Westminster, Colorado

Amount: $55,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane
Counties/Region: DuPage and Cook/Northeast

BOARD ACTION

Final Bond Resolution (One-time consideration)
Conduit 501(c)(3) Bonds (Multi-State)
Credit Review Committee recommends approval

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

This is the first time this project has been brought before the IFA Board of Directors.

PURPOSE

Bond proceeds will be used to refund Covenant Retirement Communities, Inc. (“**CRC**” or the “**Borrower**”) Series 2011A & B Bonds and pay cost of issuance.

The Series 2011A&B Bonds were issued to refund outstanding bonds and to fund new money projects in Illinois (Batavia, Northbrook and Carol Stream), and in Westminster, Colorado.

The Bonds that were refunded with the Series 2011 Bonds included prior Illinois and Colorado Bonds, as well as certain “system” bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	653 FTE’s (in Illinois)	New jobs projected:	N/A
Jobs retained:	653 FTE’s (in Illinois)	Construction jobs projected:	N/A

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	$55,000,000	Uses:	Refunding Escrow	$54,500,000
	Equity Contribution*				
				Issuance Costs*	500,000
	Total	**$55,000,000**		**Total**	**$55,000,000**

***** If needed, an equity contribution will be made to cover cost of issuance in excess of the 2% tax limit. An equity contribution is assumed to not be needed for this financing.

FINANCING SUMMARY/STRUCTURE

Security:	First mortgage on property and equipment; gross revenue pledge.
Structure:	The Series 2011 Bonds will be a bank direct purchase by Bank of America.
Interest Rate:	Variable
Interest Mode:	Weekly
Credit Enhancement:	None
Maturity:	No later than 2034
Rating:	The Bonds will not carry a rating as they will be a bank direct purchase by Bank of America. Covenant Retirement Communities, Inc. has an underlying rating of 'BBB+' from Fitch.
Estimated Closing Date:	January 19, 2017

PROJECT SUMMARY

Bond proceeds will be used to refund Covenant Retirement Communities, Inc. ("**CRC**" or the "**Borrower**") Series 2011A & B Bonds and pay cost of issuance.

The Series 2011A&B Bonds were issued to refund outstanding bonds and to fund new money projects in Illinois (Batavia, Northbrook and Carol Stream), and in Westminster, Colorado.

The Bonds that were refunded with the Series 2011 Bonds included prior Illinois and Colorado Bonds, as well as certain "system" bonds.

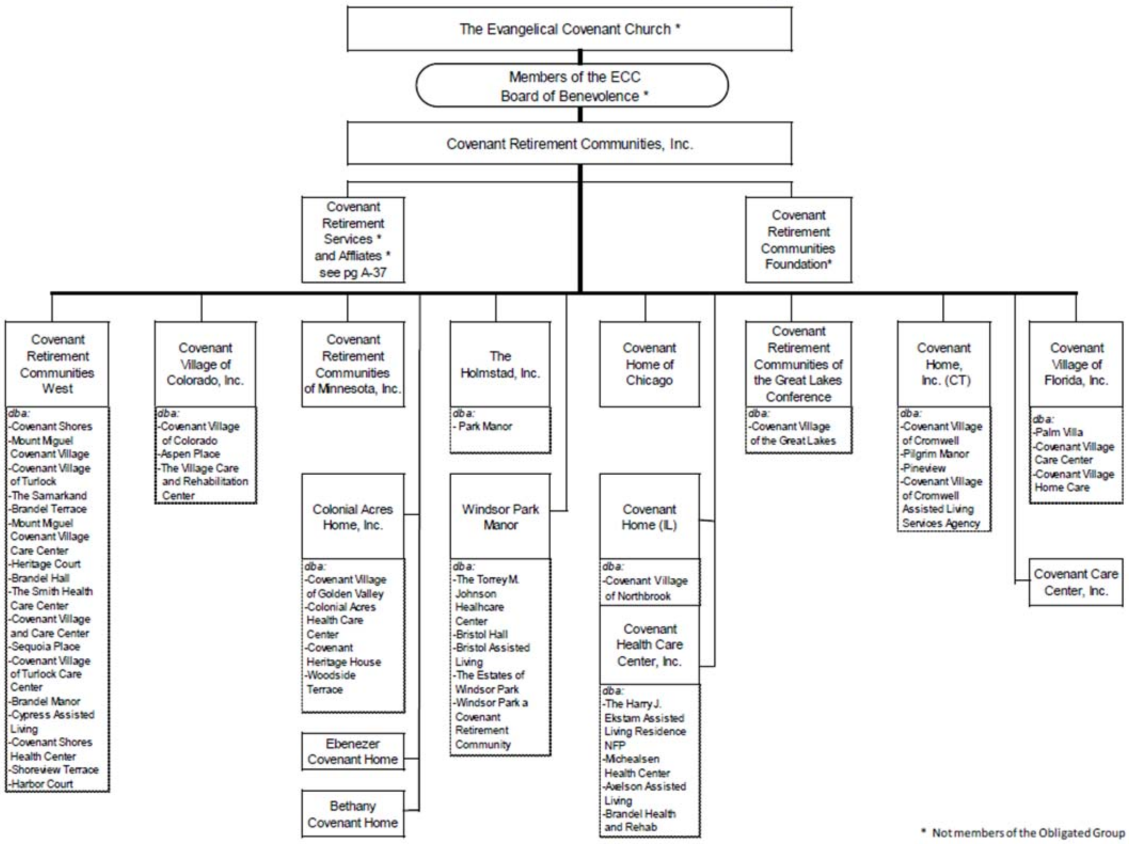
BUSINESS SUMMARY

Description of Business: Covenant Retirement Communities, Inc. ("**CRC**") is an Illinois 501(c)(3) eligible corporation organized in 1986 to give formal recognition to the administrative organization that operated a multi-institutional continuing care system of retirement communities, assisted living and personal care facilities, as well as skilled nursing facilities on behalf of the Board of Benevolence of the Evangelical Covenant Church. The central corporate office of CRC is located in Skokie, Illinois with existing facilities located in California, Washington, Connecticut, Florida, Illinois, Minnesota, Colorado, and Michigan.

As of December 31, 2015, the Obligated Group of CRC has 15 communities, 12 of which are continuing care retirement communities, with 4,771 total units consisting of 3,127 independent living apartments, 694 assisted living units and 950 nursing beds. The non-obligated group of CRC, Covenant Retirement Services ("**CRS**"), owns and operated two continuing care retirement communities and one rental community, with 244 total units, consisting of 142 independent living apartments, 68 assisted living units and 34 nursing beds. The communities of CRC and CRS operate in 10 states.

In the 2015 publication of the *LeadingAge Ziegler 150* (a joint venture of Leading Age and Ziegler), CRC was ranked as the 5th largest not-for-profit senior living provider of market rate housing in the United States.

Covenant Retirement Communities, Inc. - Legal Structure



Site	Independent Living	Assisted Living	Skilled Nursing	Total
CRC Obligated Group:				
Covenant Village of Golden Valley	198	56	88	342
Covenant Village of Florida	294	43	60	397
Covenant Village of Colorado	235	43	60	338
Covenant Village of Northbrook	352	58	95	505
The Holmstad	351	62	90	503
Covenant Home	0	52	0	52
Windsor Park Manor, including Estates	408	38	72	518
Covenant Village of Cromwell	216	50	60	326
The Samarkand	213	54	63	330
Covenant Village of Turlock	216	52	50	318
Brandel Manor-Cypress	0	30	146	176
Mount Miguel Covenant Village	248	46	86	380
Covenant Shores	208	47	43	298
Covenant Village of the Great Lakes	188	63	37	288
Total CRC Obligated Group	3,127	694	950	4,771
Non-Obligated Group Communities:				
Covenant Village of Lenexa	44	34	34	112
Covenant Place of Tulsa	46	34	0	80
Geneva Place	52	0	0	52
	142	68	34	244
Total all CRC Communities	3,269	762	984	5,015

As shown in the organizational chart above, the CRC Obligated Group is affiliated with the Evangelical Covenant Church (the "Church"), which has been involved in caring for the sick and the elderly for over 125 years. Covenant Ministries of Benevolence ("CMB") is the organization that oversees the operations of the entities affiliated with the Church which include (i) the CRC Obligated Group, (ii) Swedish Covenant Hospital in Chicago, and (iii) many other organizations involved in senior living and care, wellness, healthcare, the care of children, ministry, insurance, real estate and finance.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Covenant Retirement Communities, Inc.
Location:	Multiple CRC facilities
Borrower:	Covenant Retirement Communities, Inc.
Ownership:	Covenant Retirement Communities, Inc. is a 501(c)(3) organization

Board Members:

BOARD OF DIRECTORS
OF COVENANT RETIREMENT COMMUNITIES AND ITS AFFILIATES
July 2016 to June 2017

Aagaard, Jon P., M.D. (2019)
Wheaton, IL 60187

Christensen, Pamela (2020)
Roseville, CA 95678

Davis, Kara E., M.D. (2017)
South Holland, IL 60473

Eastburg, Mark, chair (2020)
Grand Rapids, MI 49546

Elving, Jim (2017)
Edina, MN 55436

Espinosa, Marc E., vice chair (2018)
Arvada, CO 80002

Friesen, Rhoda (2017)
Westminster, CO 80031

Heywood, Thomas F. (2017)
Mercer Island, WA 98040

Hodgkinson, Donald (2020)
Chicago, IL 60625

Holmgren, Kathy (2017)
Kirkland, WA 98033

Holt, Jody (2020)
Bedford, NH 03110-4517

Macdonald, Scott (2018)
Wheaton, IL 60187-5439

Manlove, Matthew (2020)
Attleboro, MA 02703

Rinard, Dale Glen (2020)
Spring Valley, CA 91977

Stante, Marlene E. (2019)
Turlock, CA 95382

Vining, Anne E. (2018)
St. Paul, MN 55106

Ex Officio (voting)

Cunliffe, Terri S., president
Covenant Retirement Communities
Skokie, IL 60077-1036

Dwight, David A., president
Covenant Ministries of Benevolence
Chicago, IL 60625

Larson, Jennifer, chair
Board of Benevolence
Turlock, CA 95380

Walter, Gary, president
The Evangelical Covenant Church
Chicago, IL 60631

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Erickson Papanek Peterson Rose	St. Paul	Julie Peterson
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby
Bank:	Bank of America	Chicago	Feena Ward
Bank's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Financing Facilitator:	Ziegler	Chicago	Don Carlson
IFA Counsel:	Sanchez Daniels & Hoffman LLP	Chicago	John Cummins
IFA Financial Advisor:	Acacia Financial Group Inc.	Chicago	Phoebe Selden

LEGISLATIVE DISTRICTS

The Holmstad – Batavia, IL

Congressional:	14
State Senate:	33
State House:	65

Windsor Park Manor – Carol Stream, IL

Congressional:	6
State Senate:	21
State House:	42

Covenant Village of Northbrook – Northbrook, IL

Congressional:	10
State Senate:	9
State House:	17

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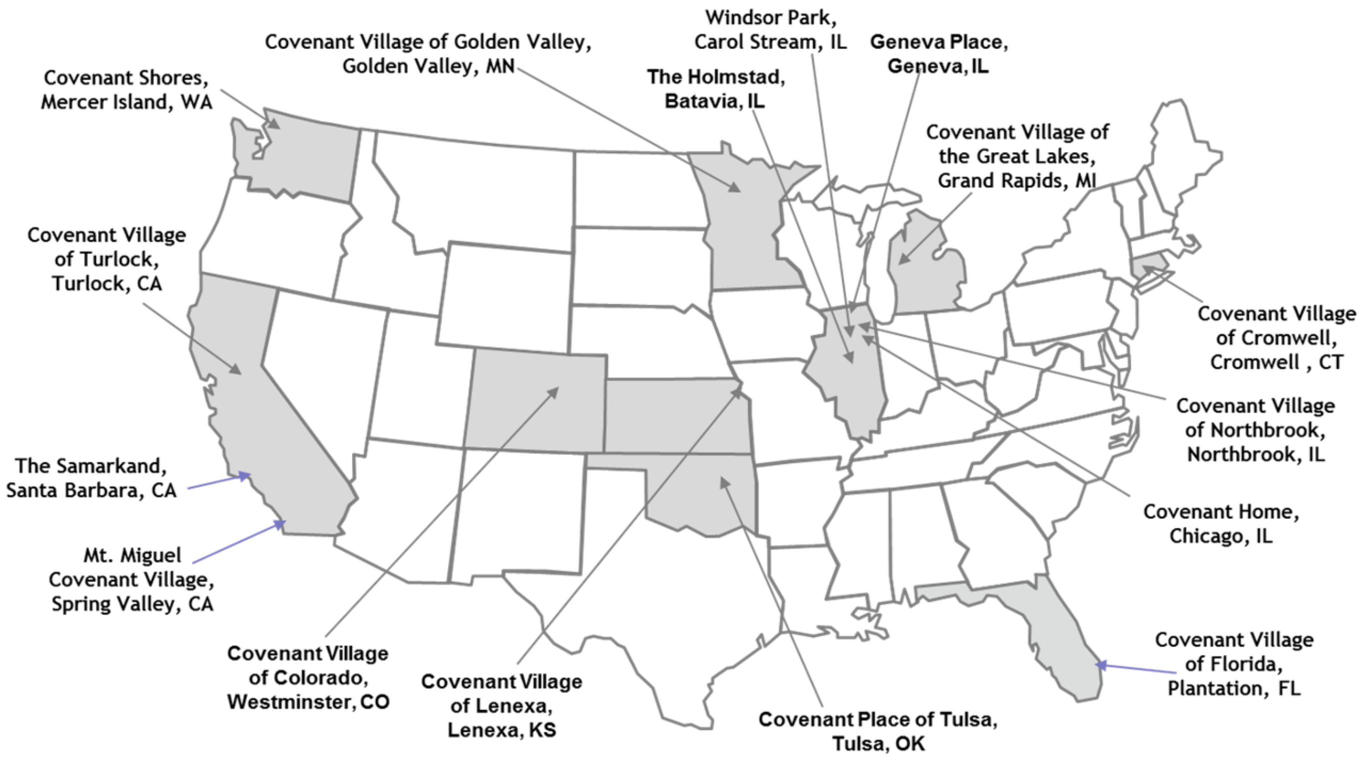
SERVICE AREA



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: December 8, 2016

Re: Resolution Authorizing the Issuance of Not To Exceed $10,000,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2016 (Lake Forest Open Lands Association), the Proceeds of which are to be Loaned to Lake Forest Open Lands Association and Lake Forest Land Foundation
IEFA 1999 File Number: 452001Q29 / 10810
IFA 2016 File Number: 12377

Request:
Lake Forest Open Lands Association, an Illinois not-for-profit corporation (the "**Borrower**") and **The Northern Trust Company**, an Illinois corporation (the "**Bond Purchaser**" or the "**Bank**"), are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement and related documents to effectuate the refinancing of the outstanding principal amount of the Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Series 1999 (Lake Forest Open Lands Association), (the "**1999 Bonds**").

The Series 1999 Bonds are currently secured by a Direct Pay Letter of Credit ("**LOC**") from The Northern Trust Company which will otherwise expire on November 30, 2016. The original par amount of the Series 1999 Bonds was $10,000,000, which remained outstanding in full as of November 1, 2016.

It is anticipated that The Northern Trust Company will purchase the contemplated Series 2016 Bond issued by the Authority in an expected amount of $10,000,000 that will fully fund redemption of the Series 1999 Bonds. This transaction will be considered a refunding for tax purposes. Bond counsel has determined that a new public hearing on the project (i.e., a "**TEFRA Hearing**" as defined under the Internal Revenue Code of 1986, as amended) will not be necessary. IFA's estimated administrative fee will be $10,000.

Impact:
Adoption of the accompanying Resolution will enable the Borrower to switch from a Direct Pay LOC-secured structure to a new Bank Direct Purchase bond structure, while also streamlining covenants on existing indebtedness. As proposed, the Series 2016 Bond will be issued at a fixed rate.

Background:
The proceeds of the IEFA's Series 1999 Bonds were used by the Borrower to finance, refinance or reimburse itself for the costs of the Project and to pay certain costs of issuance of the Series 1999 Bonds. The Project was comprised of: (i) refinancing or reimbursing the costs (approximately $6.4 million) of the acquisition of three parcels of property known as Middlefork Farm, Mellody Farm and Derwen Mawr, all located in Lake Forest; (ii) financing or reimbursing the costs (approximately $1.6 million) of the restoration of the above properties, as well as certain other properties of the Borrower to their original pre-settlement condition and of the conversion of an existing building on of the Borrower's properties into an educational nature center; and (iii) financing the costs (approximately $1.8 million) of the acquisition of an additional parcel of property located in Lake Forest adjacent to one of the Borrower's existing facilities.

All scheduled payments relating to the Authority's Series 1999 Bonds are current as of 12/1/2016 and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of George M. Covington, LLC	Lake Forest, IL	George Covington
Bond Counsel:	Dentons US LLP	St. Louis, MO	Karen Jordan
Bond Purchaser:	The Northern Trust Company	Chicago, IL	Robert A. Clarke
Bank Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
IFA Counsel:	Thompson Coburn LLP	Chicago, IL	Rhonda Thomas Steven Mitchell
IFA Financial Advisor:	Sycamore Advisors, LLC	Indianapolis, IN	Courtney Tobin

RESOLUTION NO. 2016-1208-AD__

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2016 (LAKE FOREST OPEN LANDS ASSOCIATION), THE PROCEEDS OF WHICH ARE TO BE LOANED TO LAKE FOREST OPEN LANDS ASSOCIATION AND LAKE FOREST LAND FOUNDATION

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "***Authority***") has been created by the Illinois Finance Authority Act, 20 ILCS 3501-801-1 et seq., as amended (the "***Act***"); and

WHEREAS, **LAKE FOREST OPEN LANDS ASSOCIATION**, an Illinois not for profit corporation (the "***Corporation***") and **LAKE FOREST LAND FOUNDATION**, an Illinois not for profit corporation (the "***Foundation***" and each of the Corporation and the Foundation shall be referred to herein as a "***Borrower***" and collectively, the "***Borrowers***"), has requested that the Authority issue not to exceed $10,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Refunding Bonds, Series 2016 (Lake Forest Open Lands Association) (the "***Series 2016 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) refund all of the Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Lake Forest Open Lands Association, Series 1999 (the "***Series 1999 Bonds***"); and (ii) pay certain expenses incurred in connection with the issuance of the Series 2016 Bonds and the refunding the Series 1999 Bonds, all as permitted by the Act (collectively, the "***Financing Purposes***"); and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the "***Authority Documents***"):

(a) a Bond and Loan Agreement (the "***Agreement***") among the Authority, the Borrowers and The Northern Trust Company (the "***Purchaser***"), providing for the issuance thereunder of the Series 2016 Bonds and setting forth the terms and provisions applicable to the Series 2016 Bonds; and

(b) a Tax Exemption Certificate and Agreement among the Authority and the Borrowers, under which the Authority and each Borrower will make certain covenants relating to the tax-exempt status of the Series 2016 Bonds; and

WHEREAS, a Continuing Covenant Agreement among the Borrowers and the Purchaser, under which each Borrower will make certain covenants in connection with and as a condition to the Purchaser's purchase of the Series 2016 Bonds, will be executed and delivered in connection with the issuance of the Series 2016 Bonds (the "***Continuing Covenant Agreement***").

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

Section 1. Findings. Based on the representations of each Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrowers, the Series 2016 Bonds to be issued by the Authority and the facilities financed and refinanced with the proceeds of the Series 2016 Bonds:

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

(b) The Borrowers own and operate facilities utilized for educational, recreational, park and open space, entertainment and sports purposes, as described in the Act;

(c) The Borrowers have properly filed with the Authority their request for assistance in providing funds to the Borrowers and the funds will be used for the Financing. Purposes and the facilities financed or refinanced with the proceeds of the Series 2016 Bonds will be owned and operated by the Borrowers and such facilities are included within the term "project" as defined in the Act;

(d) The facilities to be financed or refinanced with the proceeds of the Series 2016 Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(e) The indebtedness to be refinanced with the proceeds of the Series 2016 Bonds was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Corporation were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "project" (as defined in the Act) owned or operated by the Corporation, such refinancing is in the public interest and is permitted and authorized under the Act; and

(f) The Series 2016 Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Series 2016 Bonds. In order to obtain the funds to loan to the Borrowers to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2016 Bonds. The Series 2016 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Agreement in an aggregate principal amount not exceeding $10,000,000, excluding original issue discount or premium, if any. The Series 2016 Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer's execution and delivery of the Agreement.

The Series 2016 Bonds shall have a final maturity date no later than August 1, 2033, may be subject to serial maturities or mandatory bond sinking fund redemption as provided in the Agreement and shall bear interest at stated rates not exceeding 8% per annum. The Series 2016 Bonds shall be subject to optional and extraordinary redemption and be payable all as provided for in the Agreement.

The Series 2016 Bonds shall be issued only as a fully registered bond without coupons. The Series 2016 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, its Vice Chairperson or its Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2016 Bonds shall be issued and sold by the Authority and placed directly with, and purchased by, the Purchaser at a purchase price of not less than 100% of the principal amount of such Series 2016 Bonds.

The Series 2016 Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Agreement (except such income and revenues as may be derived by the Authority pursuant to Unassigned Rights (as defined in the Agreement)). The Series 2016 Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds from the sale of the Series 2016 Bonds, (ii) the income and revenues derived by the Authority pursuant to the Agreement (except pursuant to Unassigned Rights), and (iii) any money arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined) the power and duty to make final determinations as to the Series 1999 Bonds to be refunded, the principal amount, number of series or subseries of Series 2016 Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, and the interest rates of the Series 2016 Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis (each an *"**Authorized Officer**"*), and the delivery and use of the Authority Documents. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Series 2016 Bonds and the purchase thereof.

Section 4. Continuing Covenant Agreement. The Authority does hereby approve the execution and delivery by the parties thereto of the Continuing Covenant Agreement. The Continuing Covenant Agreement shall be in substantially the form previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final form as is approved by, the Authorized Officer of the Authority executing the Agreement, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final form of the Continuing Covenant Agreement or any changes or revisions therein from such form of the Continuing Covenant Agreement.

Section 5. Private Placement; Investment Letter; Restrictions on Transfers. The issuance and sale of the Series 2016 Bonds to the Purchaser is authorized on a direct placement basis pursuant to the Agreement; the Purchaser shall deliver an investment letter to the Authority (in the form approved by the Authority's General Counsel) stating, among other things, that the Purchaser is either an "accredited investor" within the meaning of Regulation D, or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and the Agreement shall contain such restrictions as the Authority's General Counsel shall reasonably determine are necessary or advisable, on the transfer of the Series 2016 Bonds by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Series 2016 Bonds.

Section 6. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of one or more tax exemption agreements, any supplemental bond trust indentures or similar escrow agreements providing for the refunding of the Series 1999 Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of Series 2016 Bonds) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Continuing Covenant Agreement, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Agreement.

Section 7. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 8. No Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. Effective Date. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: December 8, 2016

Re: Resolution Authorizing the Issuance of not to exceed $20,200,000 Principal Amount Illinois Finance Authority Revenue Bonds, Series 2016 (Elmhurst College); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters
IEFA 1998 File Number: 452001ZF0 / 10651
IEFA 1999 File Number: 452001Q86 / 10778
IFA 2016 File Number: 12376

Request:
Elmhurst College, an Illinois not-for-profit corporation (the "**Borrower**") and **Compass Mortgage Corporation**, an Alabama corporation (the "**Bond Purchaser**" or the "**Bank**"), are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement and related documents to effectuate the refinancing of certain amounts borrowed by Elmhurst College in connection with the Illinois Educational Facilities Authority Variable Rate Demand Revenue Bonds, Series 1998 ("ACI/Cultural Pooled Financing Program) (the "**Series 1998 Bonds**") and the Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program) (the "**Series 1999 Bonds**", and collectively with the Series 1998 Bonds, the "**Cultural Pool Bonds**"). Both the Series 1998 and Series Cultural Pool Bonds are currently secured by a Direct Pay Letter of Credit ("**LOC**") from JPMorgan Chase Bank, National Association, each of which is otherwise scheduled to expire on January 31, 2017.

The ACI/Cultural Pooled Financing Program enabled multi-borrower pooled tax-exempt, capital project financings for both Associated Colleges of Illinois (i.e., "ACI") members and qualified cultural institutions statewide. All projects were credit-approved and financed with a Direct Pay Letter of Credit from a designated bank selected by ACI participants (currently, JPMorgan Chase Bank, National Association).

The Series 1998 Bonds were issued in the aggregate principal amount of $48,300,000 and were used to finance a series of projects undertaken by Aurora University, The Chicago Historical Society, Elmhurst College, North Central College, Saint Xavier University and The University of St. Francis. *Approximately $15,000,000 of Series 1998 Bond proceeds were loaned to Elmhurst College, which remained outstanding in full as of December 1, 2016.*

The Series 1999 Bonds were issued in the aggregate principal amount of $22,200,000 and were used to finance or refinance projects undertaken by Blackburn College, Elmhurst College, Marwen Foundation, Inc. and North Central College. *Approximately $5,000,000 of Series 1999 Bond proceeds were loaned to Elmhurst College, which remained outstanding in full as of December 1, 2016.*

It is anticipated that Compass Mortgage Corporation (as Bond Purchaser) will purchase the contemplated Series 2016 Revenue Refunding Bond issued by the Authority in an expected amount of $20,200,000 which will fully fund redemption of Elmhurst College's borrowings in connection with the Cultural Pool Bonds and pay costs of issuance. This transaction will be considered a refunding for tax purposes. Bond counsel has determined that a new public hearing on the project (i.e., a "**TEFRA Hearing**" as defined under the Internal Revenue Code of 1986, as amended) will be necessary. IFA's estimated administrative fee will be approximately $31,000.

Impact:
Adoption of the accompanying Resolution will enable the Borrower to switch from a LOC-secured structure to a new Bank Direct-Purchase bond structure, thereby minimizing LOC-pricing risk going forward. As proposed, the Series 2016 Revenue Refunding Bond will bear interest at a variable rate. Accordingly, the rationale for this transaction is to replace the existing Bank LOC structure with a bank direct purchase structure, which is deemed to be more favorable over the long-term.

Background – Uses of Original Series 1998 and Series 1999 Bond Proceeds:
Proceeds of IEFA's Series 1998 Cultural Pool Bonds loaned to Elmhurst College were used to finance construction and renovation of campus buildings and structures. Specific projects included construction of (i) a surface parking facility and (ii) a new residence hall, while proceeds also financed (iii) renovation of the Physical Education Center and (iv) the Student Union building.

Proceeds of IEFA's Series 1999 Cultural Pool Bonds loaned to Elmhurst College were used to (i) advance refund and defease IEFA Revenue Bonds, Elmhurst College, Series 1991 and (ii) reimburse certain costs relating to the acquisition, renovation, expansion, improvement and equipping of its Student Union building.

All scheduled payments relating to IEFAs Cultural Pool Bonds were current as of 12/1/2016 and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Perkins Coie LLP	Chicago, IL	Christine Biebel Dan Coyne
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Leslie Cornell
Bond Purchaser:	Compass Mortgage Corporation	Chicago, IL	Tom Harazim Erica Frazier
Bank Counsel:	Parker Poe	Charlotte, NC	Brandon Lewisohn
Exiting Trustee:	BNY Mellon	Chicago, IL	Merci Stahl
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randy Kulat
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe S. Selden

RESOLUTION NO. 2016-1208-AD__

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $20,200,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2016 (ELMHURST COLLEGE); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (as supplemented and amended, the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "projects" (as such term is defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, the Illinois Educational Facilities Authority (a predecessor to the Authority) has heretofore issued its (a) Variable Rate Demand Revenue Bonds, Series 1998 (ACI/Cultural Pooled Financing Program) (the "Series 1998 Bonds") in the original aggregate principal amount of $48,300,000, $15,000,000 of which (the "Series 1998 Elmhurst College Bonds") was loaned to Elmhurst College, an Illinois not for profit corporation (the "College"), and (b) Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program) (the "Series

1999 Bonds") in the original aggregate principal amount of $22,200,000, $5,000,000 of which (the "Series 1999 Elmhurst College Bonds" and, together with the Series 1998 Elmhurst College Bonds, the "Prior Bonds") was loaned to the College; and

WHEREAS, the College used proceeds of the Series 1998 Elmhurst College Bonds to (a) finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its educational facilities and (b) pay certain costs relating to the issuance of the Series 1998 Elmhurst College Bonds and the credit enhancement thereof; and

WHEREAS, the College used proceeds of the Series 1999 Elmhurst College Bonds to (a) advance refund all then outstanding Illinois Educational Facilities Authority Revenue Bonds, Elmhurst College, Series 1991, (b) finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its educational facilities and (c) pay certain costs relating to the issuance of the Series 1999 Elmhurst College Bonds and the credit enhancement thereof; and

WHEREAS, the College has requested that the Authority issue its Revenue Refunding Bond, Series 2016 (Elmhurst College), in a principal amount not to exceed $20,200,000 (the "Series 2016 Bond"), and loan the proceeds from the sale thereof to the College pursuant to a Bond and Loan Agreement (the "Bond and Loan Agreement") among the Authority, the College and Compass Mortgage Corporation (the "Purchaser"); and

WHEREAS, the College will apply the proceeds from the sale of the Series 2016 Bond to (a) currently refund and redeem all of the outstanding Series 1998 Elmhurst College Bonds, (b) currently refund and redeem all of the outstanding Series 1999 Elmhurst College Bonds and (c) finance or reimburse the College for certain of the costs incurred in connection with the issuance of the Series 2016 Bond and the current refunding and redemption of the Prior Bonds (collectively, the "Financing Purposes"); and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to issue the Series 2016 Bond and loan the proceeds from the sale thereof to the College pursuant to the Bond and Loan Agreement in order to carry out the Financing Purposes; and

WHEREAS, the Series 2016 Bond and the obligation to pay principal, premium, if any, and interest thereon will be special, limited obligations of the Authority, payable solely out of the revenues and income derived from the Bond and Loan Agreement; the Series 2016 Bond and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness, a general or moral obligation, or a pledge of the full faith and credit of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the Purchaser nor any future owner of the Series 2016 Bond shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal or purchase price of, premium, if any, or interest on the Series 2016 Bond; and no recourse shall be had for the payment of the principal of, premium, if any, and interest on the Series 2016 Bond or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond and Loan Agreement against any past, present or future member, officer, agent or employee of the Authority, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise; and

WHEREAS, in connection with the issuance of the Series 2016 Bond, the College and the Purchaser will execute and deliver a Continuing Covenant Agreement containing, among other provisions, certain additional covenants to be made by the College to the Purchaser; and

WHEREAS, in connection with the issuance of the Series 2016 Bond, it is now necessary and proper to authorize the execution and delivery of (i) the Bond and Loan Agreement, (ii) the Filing Agent Agreement (as hereinafter defined), (iii) a Tax Exemption Certificate and Agreement (the "Tax Agreement" and, collectively with the Bond and Loan Agreement and the Filing Agent Agreement, the "Authority Documents") between the Authority and the College and (iii) the Other Documents (as hereinafter defined); and

WHEREAS, pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing on the proposed plan of financing of the Financing Purposes, and the issuance of the Series 2016 Bond was held by the Executive Director of the Authority, or his designee, on December 2, 2016, prior to the approval by the Governor of the State of Illinois of the financing of the Financing Purposes, through the issuance of the Series 2016 Bond, pursuant to notice published at the direction of the Authority in *The Chicago Tribune*, a newspaper of general circulation in the City of Chicago and the State of Illinois on November 17, 2016, and *The State Journal-Register*, a newspaper of general circulation in the City of Springfield, Illinois and the State of Illinois on November 17, 2016; and

WHEREAS, the Authority has caused to be prepared and presented to its members a form of the Bond and Loan Agreement, including the form of Series 2016 Bond attached thereto as Exhibit A;

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

Section 1. Recitals. That the foregoing recitals are incorporated in and made a part of this Resolution by this reference.

Section 2. Findings. That based upon the representations of the College, the Authority hereby makes the following findings and determinations with respect to the College, the Series 2016 Bond to be issued by the Authority and the facilities to be refinanced with the proceeds of the Series 2016 Bond:

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

(b) The College is a "private institution of higher education" (as defined in the Act);

(c) The College has properly filed with the Authority its request for assistance in providing funds to the College and the funds will be used for the Financing Purposes, and the facilities refinanced with the proceeds of the Series 2016 Bond are owned and operated by the College and such facilities are included within the term "project" as defined in the Act;

(d) The Prior Bonds to be refinanced with the proceeds of the Series 2016 Bond were issued for purposes which constitute valid purposes under the Act; all of the proceeds of such indebtedness made available to the College were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "project" (as defined in the Act) owned or operated by the College; and such refinancing is in the public interest, and is permitted and authorized under the Act; and

(e) The Series 2016 Bond is being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 3. Approval of Financing. That issuance of the Series 2016 Bond and the use of the proceeds from the sale thereof to carry out the Financing Purposes, in accordance with the terms of the Bond and Loan Agreement, is hereby authorized and approved and is in furtherance of the public purposes set forth in the Act.

Section 4. Series 2016 Bond. That, in order to provide funds to carry out the Financing Purposes, the Authority hereby authorizes and approves the issuance of the Series 2016 Bond, to be designated the "Illinois Finance Authority Revenue Refunding Bond, Series 2016 (Elmhurst College)." The total principal amount of the Series 2016 Bond that may be outstanding shall not exceed $20,200,000; that the form of Series 2016 Bond now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond and Loan Agreement be, and the same hereby are, approved; that the Series 2016 Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman, Vice Chairman or Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, Vice Chairman, Executive Director or any other officer of the Authority shall cause the Series 2016 Bond, as so executed and attested, to be delivered to the Purchaser under the Bond and Loan Agreement, for authentication; and that when the Series 2016 Bond is executed on behalf of the Authority in the manner contemplated by the Bond and Loan Agreement and this Resolution, it shall represent the approved form of the Series 2016 Bond; *provided* that (i) the Series 2016 Bond will bear interest at variable rates as described in the Bond and Loan Agreement (with an initial variable rate not to exceed 4% per annum**)** subject to adjustment, as provided for and pursuant to the Bond and Loan Agreement, (ii) the Series 2016 Bond shall be payable over a term not exceeding forty (40) years from the date of issuance and (iii) the Series 2016 Bond shall be privately placed with the Purchaser.

The interest rate on the Series 2016 Bond may be subject to adjustment to (i) a higher rate per annum upon the occurrence of an Event of Default, as further described in the Bond and Loan

Agreement, or (ii) a taxable rate after the occurrence of a Determination of Taxability, as defined and further described in the Bond and Loan Agreement.

The Authority hereby authorizes each of the Chairman, Vice Chairman, Executive Director, General Counsel or any Assistant Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority (each, an "Authorized Officer") to make a final determination as to the principal amount, interest rates, maturities, mandatory sinking fund redemption dates and amounts (if any), optional and extraordinary redemption provisions (if any), and uses of the proceeds from the sale of the Series 2016 Bond. The execution by an Authorized Officer of the Bond and Loan Agreement shall constitute such Authorized Officer's approval and the Authority's approval of the final terms and provisions of the Series 2016 Bond.

The Series 2016 Bond, including the interest and any redemption premium payable thereon, shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2016 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds from the sale of the Series 2016 Bond, (ii) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights), (iii) other amounts available under the Bond and Loan Agreement and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

Section 5. Bond and Loan Agreement. That the Authority is hereby authorized to enter into the Bond and Loan Agreement with the College and the Purchaser; that the form, terms and provisions of the Bond and Loan Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Bond and Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond and Loan Agreement to be delivered to the College, such Bond and Loan Agreement (as executed) to provide for the loan of the proceeds from the sale of the Series 2016 Bond to the College and the use of such proceeds to carry out the Financing Purposes, in the manner and with the effect therein provided; that the Bond and Loan Agreement shall be in substantially the same form previously provided to and on file with the Authority and hereby approved, or with such changes therein as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from such form of the Bond and Loan Agreement; that when the Bond and Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Bond and Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Bond and Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Bond and Loan Agreement as executed; and that the Bond and Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Bond and Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 6. Tax Agreement. That the Authority is hereby authorized to enter into the Tax Agreement with the College in the form to be approved by bond counsel, by counsel for the College and by counsel to the Authority; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as herein provided, the Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Tax Agreement as executed.

Section 7. Filing Agent Agreement. That the Authority is hereby authorized to enter into the Filing and Paying Agent Agreement (the "Filing Agent Agreement") with the Borrower and Amalgamated Bank of Chicago, as the Filing Agent; that the form, terms and provisions of the Filing Agent Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Filing Agent Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Filing Agent Agreement to be delivered to the Borrower and the Filing Agent; that the Filing Agent Agreement shall be in substantially the same form now before the Authority or with such changes as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from the form of the Filing Agent Agreement now before the Authority; that when the Filing Agent Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Filing Agent Agreement will be binding on the Authority; that from and after the execution and delivery of the Filing Agent Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Filing Agent Agreement as executed; and that the Filing Agent Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Filing Agent Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 8. Other Documents. That the Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority, including but not limited to, any documentation necessary to identify an interest rate hedge agreement for federal income tax purposes, any supplemental indentures or escrow deposit agreements relating to the refunding of the Prior Bonds, or any other documentation necessary to effect the Financing Purposes (collectively, the "Other Documents"), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the College and the Purchaser and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, the issuance and sale of the

Series 2016 Bond and the Financing Purposes and/or the execution, delivery and performance of the Authority Documents and the Other Documents; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 9. Private Placement; Investment Letter; Restrictions on Transfers. That the Authority hereby authorizes the issuance and sale of the Series 2016 Bond to the Purchaser on a private placement basis pursuant to the Bond and Loan Agreement; that the Purchaser shall deliver an investment letter to the Authority (in the form approved by counsel to the Authority and consistent with the Authority's Bond Program Handbook) stating, among other things, that the Purchaser is either an institutional "accredited investor" within the meaning of Regulation D, Sections 501 through 506, or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and that the Bond and Loan Agreement shall contain such restrictions, as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the Series 2016 Bond by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Series 2016 Bond.

Section 10. Public Hearing. That the Authority hereby acknowledges that a Public Hearing was held on December 2, 2016 and hereby approves the financing of the Financing Purposes, and the plan of financing pursuant to Section 147(f) of the Code and directs that this issue be submitted to the Governor of the State of Illinois for approval as the "applicable elected representative" of the Authority within the meaning of Section 147(f) of the Code.

Section 11. Conditions to Effectiveness. That the approvals granted by the Authority pursuant to this Resolution are subject to the Authority Documents and any other document required to carry out and comply with this Resolution being in full conformance with the requirements of the Authority (including the Authority's Bond Program Handbook), except as expressly approved by counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 12. Other Acts. That all acts of the officers, employees and agents of the Authority 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 13. Severability. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 14. No Conflict. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 15. Effective Date. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane, Executive Vice President

Date: December 8, 2016

Re: A Resolution Authorizing the Amendment of the Loan Agreement dated as of July 1, 2010 with the Institute for Transfusion Medicine and Affiliated Companies related to the $26,500,000 Illinois Finance Authority Revenue Bonds, Series 2010 (The Institute for Transfusion Medicine) and related documents; and approving related matters.

<u>IFA Series 2010 Bonds File Number H-HF-TE-CD-8357</u>

The **Institute for Transfusion Medicine** ("**ITxM**") and certain of its affiliated entities (each, a "**Borrower**") entered into a Loan Agreement (the "**Loan Agreement**") dated as of July 1, 2010 with Illinois Finance Authority ("**IFA**")with respect to the $26,500,000 Illinois Finance Authority Revenue Bonds, Series 2010 (The Institute for Transfusion Medicine) (the "**Bonds**"). The Bonds were issued pursuant to a Bond Trust Indenture (the "**Indenture**") between IFA and U.S. Bank National Association (the "**Trustee**") dated as of July 1, 2010 in the "Flex Private Placement Rate" and privately placed with JPMorgan Chase Bank, N.A. (the "**Bank**") who continues to hold all the Bonds.

ITxM would like to have one of the affiliated entities, Blood Science Foundation (the "**Foundation**"), a Pennsylvania nonprofit corporation, removed as a Borrower by no later than December 31, 2016. The Bank has indicated to the Borrower that it will consent to removing the Foundation as a Borrower.

Per Section 8.2 of the Loan Agreement, the Loan Agreement can be amended by the Authority and the Borrower with the consent of the Bondholders.

Per Section 607 of the Indenture, the Authority and the Borrower may, with the prior written consent of the Trustee and the Initial Purchaser, amend or consent to the amendment of the Loan Agreement, provided the Trustee is provided an opinion of bond counsel to the effect that the amendment will not adversely affect any exclusion from gross income of interest on the Bonds.

RESOLUTION NO. 2016-1208-AD07

A RESOLUTION AUTHORIZING THE AMENDMENT OF THE LOAN AGREEMENT DATED AS OF JULY 1, 2010 WITH THE INSTITUTE FOR TRANSFUSION MEDICINE AND AFFILIATED COMPANIES RELATED TO THE $26,500,000 ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2010 (THE INSTITUTE FOR TRANSFUSION MEDICINE) AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "**Authority**"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (as supplemented and amended, the "**Act**"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "projects" (as such term is defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, the Authority has heretofore issued its $26,500,000 Illinois Finance Authority Revenue Bonds, Series 2010 (The Institute for Transfusion Medicine) (the "**Bonds**"), the proceeds of which were loaned to The Institute for Transfusion Medicine ("**ITxM**") and its affiliated corporations, LifeSource, ITxM Clinical Services, ITxM Diagnostics, Central Blood Bank and Blood Science Foundation (collectively with ITxM, the "**Borrowers**"); and

WHEREAS, ITxM has entered into a Letter of Intent ("**LOI**") with Blood Systems, Inc. ("**BSI**") whereby, in a proposed two-step transaction (the "**Transaction**") initially BSI would become the Member of ITxM and subsequently merge with ITxM, with BSI becoming the surviving corporation; and

WHEREAS, the Bonds were initially purchased by and are all held by JP Morgan Chase Bank, N.A. (the "**Bank**"); and

WHEREAS, certain aspects of the Transaction will require the consent of the Authority as provided in certain of the documents entered into in connection with the Bonds, including the Bond Trust Indenture (the "**Indenture**") between the Authority and U.S. Bank National Association (the "**Trustee**") dated as of July 1, 2010, the Loan Agreement (the "**Loan Agreement**") dated as of July 1, 2010 among the Authority and the Borrowers and the Supplemental Agreement (the "**Supplemental Agreement**") dated as of July 29, 2010 by and among the Bank and the Borrowers; and

WHEREAS, the LOI contemplates that Blood Science Foundation will be released from the Loan Agreement and ITxM has requested the Authority to enter into an amendment to the Loan Agreement to release Blood Science Foundation from the Loan Agreement; and

WHEREAS, the Loan Agreement at Section 9.1 allows for its amendment by the Authority and the Borrowers with the consent of the Trustee; the Supplemental Agreement requires the consent of the Bank for any amendment to the Loan Agreement; and Section 607 of the Indenture allows the Authority and the Borrowers, with the prior written consent of the Trustee and the Bank as the Initial Purchaser, to amend or consent to an amendment of the Loan Agreement, provided the Trustee is provided an opinion of bond counsel to the effect that the amendment will not adversely affect any exclusion from gross income of interest on the Bonds; and

WHEREAS, ITxM has represented to the Authority that it is currently requesting the consent of the Trustee and the Bank to release Blood Science Foundation from the Loan Agreement and will provide the Trustee with the requisite bond counsel opinion.

Now, Therefore, Be It Resolved by the members of the Illinois Finance Authority as follows:

Section 1. Recitals. The foregoing recitals are incorporated in and made a part of this Resolution by this reference.

Section 2. Approval of Amendment. The amendment of the Loan Agreement, in accordance with the terms of the Indenture, the Loan Agreement and the Supplemental Agreement, is hereby authorized and approved.

Section 3. Amendment to Loan Agreement. The Authority is hereby authorized to enter into the amendment to the Loan Agreement; the Chairperson, Vice Chairperson, Executive Director, or General Counsel of the Authority, or any person duly appointed by the members of the Authority to serve in such offices on an interim basis (each an "**Authorized Officer**") be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to the amendment to the Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the amendment to the Loan Agreement to be delivered to the Borrowers, such amendment to the Loan Agreement (as executed) to provide for the release of Blood Science Foundation as a Borrower; the amendment to the Loan Agreement shall be in substantially such form as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of such form of the amendment to the Loan Agreement; when the amendment to the Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the amendment to the Loan Agreement will be binding on the Authority; from and after the execution and delivery of the amendment to the Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the amendment to the Loan Agreement as executed; and the amendment to the Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the amendment to the Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. Other Documents. The Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority relating to the Transaction, or any other documentation necessary to effect the Transaction (collectively, the "**Other Documents**"), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, and/or the execution, delivery and performance of the amendment to the Loan Agreement and the Other Documents; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 5. Conditions to Effectiveness. The approvals granted by the Authority pursuant to this Resolution are subject to the Transaction and the amendment to the Loan Agreement and any other document required to carry out and comply with this Resolution being in full conformance with (i) the requirements of the Indenture and the Loan Agreement and (ii) the requirements of the Authority (including the Authority's Bond Program Handbook), except as expressly approved by counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 6. Other Acts. All acts of the officers, employees and agents of the Authority 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 7. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 8. No Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. Effective Date. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: R. Robert Funderburg, Chairman

Date: December 8, 2016

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

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

IFA RESOLUTION NO. 2016-1208-AD__

RESOLUTION APPOINTING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

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

Approved and effective this 8th day of December, 2016 by vote as follows:

Yeas:

Nays:

Abstain:

Not Voting:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By ____
Chaiperson

ATTEST:

____
Assistant Secretary

[SEAL]