ILLINOIS FINANCE AUTHORITY

November 9, 2017
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	A) Jason Hayes	Leanna Township (Logan County)	$502,250	-	-	PE/LK
	B) Levi B. & Megan N. Yager	St. Marie Township (Jasper County)	$193,800	-	-	PE/LK
	C) Ethan C. Keller	St. Marie Township (Jasper County)	$107,500	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$803,550**	-	-	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final*						
2	CHF-Chicago, L.L.C. (University of Illinois at Chicago Project)	Chicago (Cook County)	$120,000,000	10	120	RF/BF
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
3	2017 IAVF Windy City Fox Run LLC; 2017 IAVF Windy City Parkside LLC; 2017 IAVF Windy City Shaddle LLC; and 2017 IAVF Windy City Villabrook LLC (Windy City Portfolio Project - Better Housing Foundation)	Addison, Glen Ellyn (DuPage County), Mundelein (Lake County), and St. Charles (Kane County)	$65,000,000	2	5	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$185,000,000**	**12**	**125**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final*						
4	Northwestern Memorial HealthCare	Chicago (Cook County), Lake Forest (Lake County), Wheaton, Winfield (DuPage County), DeKalb, Sandwich (DeKalb County), Geneva (Kane County)	$800,000,000	N/A	240	PL
TOTAL HEALTHCARE PROJECTS			**$800,000,000**	**-**	**240**	
GRAND TOTAL			**$985,803,550**	**12**	**365**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
5	Resolution Authorizing Certain Amendments Relating to the Illinois Finance Authority Senior Living Facility Revenue Bond (Bethesda Home and Retirement Center Project), Series 2015, the Proceeds of which were loaned to Norwegian Lutheran Bethesda Home Association, d/b/a Bethesda Home and Retirement Center, and Related Entities	RF/BF
6	Resolution Regarding Federal Tax Reform Legislation	CM

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: November 9, 2017

To: Eric Anderberg, Chairman
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
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

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

Dear Members of the Authority:

Federal Tax Reform: Adverse and Direct Impact on Federal Tax-Exempt Conduit Bonds

The House Ways and Means Committee unveiled legislation on November 2, 2017. Importantly for the Authority, this legislation ***will eliminate federal tax-exemption for all private activity bonds*** (conduit bonds on behalf of non-profits, for-profit entities and individuals – the core business of the Authority) by the end of calendar year 2017 as well as eliminate the advance refunding of bonds. Pages 47 and 48 of the enclosed Ways and Means Committee Majority Tax Staff Summary explain the proposed Bond Reforms.

The Authority intends to work with all of its stakeholders to persuade Congress to keep federal tax-exemption for all private activity bonds.

This month's agenda demonstrates the direct, material and positive impact that tax-exempt conduit bonds have on the lives of our fellow citizens:

- A new dormitory on the campus of the University of Illinois at Chicago (CHF-Chicago, LLC);
- Affordable housing in DuPage, Lake and Kane Counties (Windy City Portfolio Project – Better Housing Foundation);
- Northwestern Memorial HealthCare; and
- Helping beginning farmers in Logan and Jasper Counties.

Federally tax-exempt conduit bonds impose market discipline and harness the capital markets to lower the cost, through lower interest rates and longer loan maturities, of essential infrastructure, including hospitals, museums, schools, and housing, which provide benefits to our entire society. These bonds are truly a "private-public partnership" that materially improve the quality of life for all Americans, no matter where they live or what their income is.

If this tool is eliminated – there is no replacement.

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

Enc: Ways and Means Committee Majority Tax Staff Summary

ILLINOIS FINANCE AUTHORITY

To:	Members of the Authority
From:	Eric Anderberg, Chair, Illinois Finance Authority (Authority) Chris Meister, Authority Executive Director
Date:	November 9, 2017
Re:	**Impact of Section 3601 of Subtitle G of HR 1 (Section 3601; eliminates Private Activity Bonds or "PABs" from federal tax law) on the public mission and finances of the Authority.**

Background

We have had a lot of time to act and to think about the above issue since the morning of November 2, 2017. Like the market participants (many of whom have more skin in the game than us) and some appropriately placed congressional staff, we were surprised. On October 10, 2017, we were in DC and while we were cautioned that anything could change at any time, PABs were not on the table for federal tax reform.

State of Play

It does not appear that any amendments to HR 1 will be allowed on the house floor. Ways and Means is voting on amendments, including at least one addressing PABs.

The Senate version is likely to be out later this morning. We knew from the start that the House and Senate would each take up their own tax reform bill for starters.

The Senate cannot use the reconciliation process to pass a bill that does not meet Byrd limits. So the House can pass its bill, Senate can pass its Byrd-compliant bill, and the differences will have to be worked out in conference. What is produced by conference committee also has to be compliant with reconciliation rules in order to pass the Senate and become law.

The current congressional session ends on January 3, 2019.

Who we are

The elimination of PABs by Section 3601 of Subtitle G of HR 1 has caused us to us to think deeply about the public mission and finances of the Authority.

In short, we are stewards of a public utility that operates on a margin business within a relative value market. The proposed elimination of PABs eliminates the margin of economic value that the Authority and all PABs market participants provide. While PABs have many allies, PABs are not likely on the top of anyone elseçs ñdo or dieò list but PABs should be. For example, the Authority is currently run by thirteen volunteer board members, twelve employees and four temporary staff, but it is difficult to think of a similar sized organization that has such disproportionate positive impact on Illinois.

A 2013 national economic study by NAHEFFA (the Authority is a member) estimated that the elimination of PABs (non-profit only) would:

- Cost non-profits an additional $166.3 billion in interest expenses
- Reduce the national gross domestic product by $23.6 billion
- Lose just over 299,000 jobs generating $15.6 billion in labor income

Anticipated questions and answers

1. Percentage of the Authorityôs current bond portfolio that will be affected by the proposed elimination of PABs, if any?

   Answer: Approximately $24B of the Authorityôs $25B portfolio of outstanding conduit bonds qualify as ñprivate activity bondsò (PABs) that would be eliminated under Subtitle G of Section 3601 of HR 1.

   PABs represent approximately 96% of the Authorityôs current outstanding conduit bond portfolio.

   Outstanding bonds would not be impacted. However, if there is the refinancing or re-issuance for federal tax purposes of outstanding bonds, assuming HR 1 becomes law as of 1/1/18, these bonds would likely be taxable. After the effective date, the Authority would not be able to issue new PABs on behalf of its borrowers.

2. Rough, ballpark projections on how the elimination of PABs might affect the Authorityôs future revenue models?

   Answer: For FY 16 and FY 17, PABs have accounted for approximately 66% of the Authorityôs revenue (average operational expenditures approximately $4 million annually). The Authority is self-supporting mainly through fees charged at closing of PABs. In past years, before the expansion of the Clean Water Initiative/State Revolving Fund on behalf of IEPA (initially 2013 but really accelerating and expanding 2016-present ï currently $1.2 billion outstanding) and the 2014 defeasance (with Authority funds) of the State taxpayer-backed moral obligation local government bond portfolio as well as considering any one-time unanticipated revenues, the Authorityôs revenues derived from one-time fees (paid at closing as opposed to annual fees) from the issuance of PABs accounted for between 55% and 79% depending on the year and the one-time events.

3. Does the HR 1 repeal of PABs impact the IEPA Clean Water Initiative ï State Revolving Fund (CWI/SRF)?

Answer: No. The Authority would continue to be able to issue bonds consistent with IEPAộs current capacity/leverage plans. GOMB confirmed this as well. The Authorityộs current outstanding CWI/SRF portfolio is $1+B.

4. Does the Authority have a potential ñgoing concernò issue with respect to a potential revenue decline due to the elimination of PABs?
   Answer: No. The Authority has sufficient reserves held independently of the State budget that would allow continued operations for a period of time. The Authority has plans for revenue and mission diversification but these are untested. The Authority has shared this view with its board, staff team and external auditors.

5. Is there any other way that the Authority should be thinking about this?

   Answer: PABS are driven by the private sector ï both private (mainly non-profit) borrowers and private borrowers. PABs already effectively use the discipline of the capital markets to allow qualified borrowers to do what government would otherwise have to do (and pay for) ï or would remain undone. PABs have large social benefit with a very light government footprint. It would be irresponsible to abandon this effective tool, especially for unknown and untested theories.

   Any modest federal savings (nationally - $38.9 billion) expected from the elimination of PABs would be dwarfed by the tremendous value of the projects they have generated and continue to generate for communities throughout Illinois. The work of an MIT economist, Dr. James Poterba (Mitsui Professor of Economics at MIT and President of the National Bureau of Economic Research (NBER)), indicates that the federal revenue impact may be 40% to 50% lower ($19.4B to $23.3B) than the federal JCT estimate of $38.9B. In short, the elimination of PABs is a high damage/high cost and low or minimal return policy choice.

   While the Authority regularly works with very large numbers, reports as of late November 8, 2017, indicate that the Bryd deficit cap is $1.5 trillion and that HR 1 is currently $300B over this limit.

DRAFT – DRAFT -

To: Members of Congress and Staff

From: Eric Anderberg, Chair, Illinois Finance Authority (Authority)
Chris Meister, Authority Executive Director

Re: **TAX BILL PROVISION WOULD REMOVE A TOOL FOR FINANCING INFRASTRUCTURE AND NOT-FOR-PROFITS**

As an active participant in growing the Illinois economy, the Authority, an autonomous and self-supporting public entity, fully recognizes our nationŝ need for federal tax reform, and we appreciate and respect the difficulty and complexity of accomplishing this goal.

We are writing to inform you about the impact that one provision of the proposed law will have on Illinois.

Section 3601 of Subtitle G of H.R. 1 will remove a job retention and creation tool -- federally tax-exempt infrastructure or ñprivate activity bondsò (PABs) -- that allows charities and 501(c)(3) organizations such as:

- hospitals and health systems[1],
- schools ï research universities and colleges as well as charter and other private schools[2],
- museums and cultural institutions[3], and
- organizations that provide housing for seniors, students and working people[4]

to finance their capital infrastructure projects at generally lower interest rate and a longer maturity ï and to create long-term economic value for communities throughout Illinois. PABs also allow a small number of other qualified entities (small farmers and manufacturers, safe waste disposal, and logistics facilities of regional importance[5]) to do the same. **THE AUTHORITY DOES NOT FINANCE PROFESSIONAL SPORTS STADIUMS.**

At a time when lawmakers are searching for new ways to finance infrastructure, PABs already effectively use the discipline of the capital markets to allow qualified borrowers to do what government would otherwise have to do (and pay for) ï or would remain undone. Eliminating this tool would seem to be at odds with efforts to use every federal tax dollar to greatest public advantage.

To date, they have helped to leverage a relatively small federal tax exemption[6] into billions of dollars in state and local development. In just our state, Illinois, the Authority has used these bonds to finance the construction of over $24 billion in essential infrastructure projects -- over $3.6 billion in State Fiscal Year 2017 alone.

The modest federal savings expected from the elimination of PABs would be dwarfed by the tremendous value of the projects they have generated and continue to generate for communities throughout Illinois and the nation.

We hope this information is helpful to you as you assess the merits of the important legislation. Please donŧ hesitate to contact Chris Meister (312-590-1044 or cmeister@il-fa.com or www.il-fa.com) if you have any questions about the Authority or the impact Section 3601 of H.R. 1 might have on its work in your district.

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[1] Including but not limited to Advocate, Northshore University, Northwestern, Lurie Children’s, University of Chicago, OSF, Presence, Rush, Southern Illinois Health, Harrisburg, Silver Cross, Unity Point, Edward Elmhurst, Rehabilitation Institute, MercyRockford, Blessing (Quincy), Springfield Memorial, Hospital Sisters, Loyola, Sarah Bush Lincoln (Mattoon), Ingalls, Illinois Valley, Passavant (Jacksonville), Sinai, Carle, Swedish Covenant, Northwest Community, Norwegian American, Riverside

[2] Including but not limited to DePaul, Loyola, Bradley, North Central, Noble Network Charter, Intrinsic Charter, Mt. Carmel, Providence St. Mel, Elmhurst College, Midwestern University, IIT, Solomon Schechter Day Schools, Illinois Wesleyan

[3] Including but not limited to Cantigny Foundation (closes 12/17), Art Institute of Chicago, Field Museum, Science and Industry

[4] Including but not limited to Better Housing Foundation, Collegiate Housing Foundation (DeKalb, Normal, Chicago), Plymouth Place, Friendship Village, Presbyterian Homes, Three Crowns, Franciscan Communities, Bethesda Home, Clare Oaks

[5] Including but not limited to CenterPoint Joliet, Freedman Seating, Kuusakoski, Bison Gear, Camcraft, Inc., Beginning Farmers

[6] JEC estimates savings of elimination of PABs in all states at $38.9 billion over ten years. W&M Committee Majority Tax Staff, p. 48, November 2, 2018

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Date: November 9, 2017

To: Eric Anderberg, Chairman
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
Bradley A. Zeller

Subject: ***Minutes of the October 12, 2017 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 October in the year 2017, 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, October 12, 2017
9:30 AM

AGENDA:

I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 24)
II. Approval of Agenda
(page 5, line 1 through page 6, line 22)
III. Chairman's Remarks
(page 6, line 23 through page 7, line 22)
IV. Message from the Executive Director
(page 7, line 23 through page 9, line 23)
V. Consideration of the Minutes
(page 9, line 24 through page 10, line 12)
VI. Presentation and Consideration of Financial Reports
(page 10, line 13 through page 17, line 4
VII. Monthly Procurement Report
(page 17, lines 5 through 16)

VIII. Committee Reports
(page 17, line19 through page 18, line 7)

IX. Presentation and Consideration of the Project Reports and Resolutions
(page 18, line 8 through page 67, line 145)

X. Other Business
(page 67, line 15 through page 68, line 5)

XI. Public Comment
(page 68, lines 5 through 14)

XII. Adjournment
(page 68, line 14 through page 69, line 1)

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 October 12, 2017 Regular Meeting
2. Voting Record of the October 12, 2017 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING

September 14th, 2017, at 9:33 a.m.

Report of Proceedings had at the Regular Meeting of the Illinois Finance Authority on September 14th, 2017, 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

9-14-17-2.txt

MR. ERIC ANDERBERG, Chairman
MR. JAMES J. FUENTES
MR. ROBERT HORNE
MS. ARLENE JURACEK
MR. LERRY KNOX
MS. GILA J. BRONNER
MR. MICHAEL W. GOETZ
MR. LYLE McCOY
MR. TERRY O'BRIEN
MS. BETH SMOOTS
MR. JOHN YONOVER

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)
MR. TERRY FRANZEN, Procurement

MARZULLO REPORTING AGENCY (312) 321-9365

CHAIRMAN ANDERBERG: I would like to call the meeting to order. Would the Assistant Secretary please call the roll?

FLETCHER: Certainly. The time is 9:33 a.m. I'll call the roll of Members physically present. Ms. Bronner?

BRONNER: Here.

FLETCHER: Mr. Fuentes?
FUENTES: Here.
FLETCHER: Mr. Goetz?
GOETZ: Here.
FLETCHER: Mr. Horne?
HORNE: Here.
FLETCHER: Ms. Juracek?
JURACEK: Here.
FLETCHER: Mr. Knox?
KNOX: Here.
FLETCHER: Mr. McCoy?
McCOY: Here.
FLETCHER: Mr. O'Brien?
O'BRIEN: Here.
FLETCHER: Ms. Smoots?
SMOOTS: Here.
FLETCHER: Mr. Yonover?

YONOVER: Here.
FLETCHER: And Mr. Chairman?
CHAIRMAN ANDERBERG: Here.
FLETCHER: Mr. Chairman, a quorum of Members physically present in the room has been constituted.
CHAIRMAN ANDERBERG: Did we recognize our two --
FLETCHER: It's also come to my knowledge we also have two Members participating by audio conference, while their votes will not count, we would like to acknowledge them.

I believe we have Member Poole on the line and Member Obernagel.
MEISTER: George and Roger?
OBERNAGEL: Yes.
POOLE: Yes.
FLETCHER: They are confirmed they are on the line.
CHAIRMAN ANDERBERG: Does anyone wish to make any additions, edits or corrections to today's agenda?
Hearing none, I would like to request a motion to approve the agenda. Is there such a motion?

KNOX: So moved.
CHAIRMAN ANDERBERG: I have a motion. And a second?
GOETZ: Second.
CHAIRMAN ANDERBERG: All those in favor?
(A chorus of ayes.)
CHAIRMAN ANDERBERG: Opposed?
(No response.)
CHAIRMAN ANDERBERG: The ayes have it. We've got a lot to get through here today. I would like to make a few remarks.
Late last month, Chris, Elizabeth and myself went out to New York for the State Revolving Fund bond issuance. It was a resounding success. I just want to congratulate and thank the staff, the IFA, for all your hard work in getting that done.

It was tremendous. I do want to also -- it was an amazing experience, too.

But I can't let it pass without saying I'm real suspect Chris might have had a connection to North Korea because the night before they shot a missile over Japan and that helped the flight to quality the next morning.

But it was a tremendous success. I would

also like to thank Roger Poole and George Obernagel. They tried getting here this morning, but were fogged in at St. Louis Airport, and they are here on the phone today. So, thank you, gentlemen, for phoning in.

And I'll turn it over to Chris.

MEISTER: Thank you, Mr. Chair. Again, I would like to not just thank Eric, because it was a sacrifice to come out and participate in the pricing, but just I also want to thank all of the Board Members and all of the staff, and all of the Members of the financing team.

I've asked Brad Fletcher to provide an overview. This has been, I think, a financial and public policy success for our state that, personally, I'm very proud to be a part of.

We've had 100-percent support from our partners at IEPA, and Carol Radwine, the CFO. Carol, are you on the line?

RADWINE: I am on the line, Chris.

MEISTER: Yes. So, Carol is going to be speaking and recognized a little bit further, but this is a tremendous success.

I think the people that deserve the most

success are the entire team at Illinois Environmental Protection Agency, but this has been a four-year process, two governors, three Chairs here at the IFA, a number of staff and a number of Members of the financing team; and, of course, your support.

Because I just want to underscore, and one of the Board Members raised it last meeting, the level of organizational commitment at both the Authority and IEPA. And, again, a special thanks to Director Messina for his support, and Governor Rauner's Office for their support has really made this a great success that we can all be proud of. Thank you. Brad?

FLETCHER: So, Chris asked me to give a brief overview after we priced and closed the 2017 SRF bonds. I'm going to be referring to various exhibits, again, with this yellow memo in front of you, and also at the back end, the final exhibit, will be the rather voluminous, if you will, it's the closing book provided by Bank of America Merrill Lynch.

As Chris mentioned, the Series 2017 SRF bonds closed on September 12th. They were issued in the aggregate principal amount of $560,250,000. The bonds were sold at a premium providing over $661,000,000 of net bond proceeds. That is discounting cost of issuance and underwriter's discount.

So $661,000,000 was deposited directly into IEPA's Clean Water Loan Fund and their Drinking Water Loan Fund. If I may, I'll turn your attention to Exhibit 1.

That is this page here, table of rankings. As a result of this successful 2017 SRF bond closing, Illinois now ranks 11th in the national rankings among SRF bond issuers from 1989 to the present, having issued almost $1.5 billion of bonds in that time.

This overall ranking is primarily attributable to Illinois issuing $1.2 billion over the last four years alone through three series of bonds, the 2013 SRF bonds, the 2016 SRF bonds and now the 2017 SRF bonds.

These were large enough to rank Illinois fourth in national rankings from 2013 to present. This is clearly an upward trend which we hope to continue on a continual regular basis of SRF bond

issues in the coming years. So, we expect to remain in the top rankings.

Next, I'm going to refer to Exhibit 2, which looks like this page here. This is the past spend down of 2016 SRF bond proceeds. According to IEPA, 100 percent of the 2016 net bond proceeds in the Clean Water Loan Fund were drawn as of June 30th, 2017, while approximately $55,000,000 in the Drinking Water Loan Fund remain unspent as of August 18th.

I did receive an update on that number last night. They are down to roughly $38,000,000. And according to the Executive Director, who spoke with IEPA also recently, they expect to terminate the remaining balance by October of this year.

So, another month, those funds will be depleted. Nevertheless, this rapid spend down has nearly met the three-year spend-down target under federal tax law, which is called TIPRA.

They've nearly met the three-year spend-down target of 95 percent in just over a year. In fact, according to IEPA, they expect to expend all these funds through October.

This accelerated expenditure of net bond

proceeds is expected to be replicated for the 2017 bonds, which is now closed. That would be Exhibit 3 in front of you, which looks like this, which has a graph chart on the bottom.

You can see from referring to the chart, that again they expect, once again, to meet the three-year spend-down requirements again in approximately 12 months.

That is very rapid expenditure of net bond proceeds by IEPA, which speaks to the demand out there in the State of Illinois for water infrastructure financing.

Finally, I wanted to turn your attention to the closing book, which I referred to earlier. This has been provided to us by Bank of America Merrill Lynch. Specifically I'll be referring to tab 5 in the book. Tab 5 is the summary of orders and allotments.

First, on page 26, you'll see that of 22 potential investors that viewed the Road Show, six firms ultimately participated in the 2017 SRF bond transaction. These six firms had participated in our prior SRF bond sales.

Turning to page 29, if you will, in

reviewing the left-hand column, which is highlighted in green, you'll see that these firms ultimately were allotted $103,000,000 of the 2017 SRF bonds that were sold.

So this is a good active participation and good active marketing by IEPA, with respect to the Road Show; that is to say, the Road Show did pay off.

Also, on page 29, reviewing the same column, it shows that at least 14 new institutional investors were ultimately allotted $145,000,000 of

the Series 2017 SRF bonds. These 14 new institutional investors accounted for over 25% of the aggregate principal amount of SRF bonds sold.

And, finally, as you're all aware, the 2017 SRF bonds were not only sold to institutional investors, but also to retail investors. You will see that, if you review page 31, at final pricing institutional investors were allotted approximately 70 percent of 2017 SRF bonds, while the retail investors were allotted approximately 28 percent of the SRF bonds.

The remaining 1.5 percent was allotted to the senior manager on the transaction, who is a

member of the underwriting syndicate. So, we did want to take the time to review this.

I should note, as a disclaimer, these books are confidential and are intended for your sole use and not to be distributed to anyone else.

We also wanted to thank the co-managers on this transaction, the senior manager, the co-senior manager, as well as IPEA. Carol Radwine is going to have a few comments.

First, I want to turn it over to the senior manager of the transaction, Bank of America Merrill Lynch, Eric Rockhold.

ROCKHOLD: Thanks, Brad, and, Mr. Chairman, and Members of the Board. Thank you very much for the opportunity to serve the lead manager on transaction.

On behalf of our syndicate, we're very, very pleased, and very, very pleased with the results. I mean, from your perspective, a few anecdotes, when you compare this transaction to what was done last year, last year went well. This year it was expedited. It was smooth.

It was easy, and that's really a credit to IEPA and IFA staff and the financial advisor team.

I just think it was much easier, much better. Last year went well.

This year, we were on all cylinders from start to finish, and it was done in an aggressive time frame and done very, very well. A few anecdotes from the bond sale, itself.

As the Chairman alluded to, we started the first day with a retail order period at the end -- towards the end of that day had a very good response. So, it slowed at the beginning of the day. I think we only got approximately $200,000,000 at the end of the day, but the market was feeling kind of soft, not feeling really well.

We gathered that night before heading out to dinner and, Chris, you know, comes in with his phone and says, "Hey, guess what? North Korean just sent a missile over Japan."

And all of us were, like, "Well, bad for Japan, but probably good for our bond deal." In all reality, that did help the following morning, and we

were able to go out into the market at what we felt were aggressive appropriate pricing levels, which were a little bit better than where it had gone up that day.

And had a throughout the day a very sustained order period, very orderly, very thoughtful response to for our investors that was primarily because of the work, again, the Authority and staff performed.

One I think very significant anecdotal piece of information was the major investor in this transaction was an investor last year on the Road Show that had viewed it. There was a one-on-one investor call that we had with this major investor, which is a major bond fund, as you all know, based in Massachusetts. There are a few of them.

So, from our perspective, the investment that was made last year with this client, they didn't put in any orders last year. This year they put in $300,000,000 worth of orders, which is, you know, significant and were allotted a significant portion of the transaction based on that.

We also have -- I think it was probably kind of eye opening for the Chairman. We had probably about a 45- to 50-minute investor call with one other institutional investor for pricing that went from the gamut of details to the financing to just getting it to how is the board organized? How are appointments made? Is there politics that goes into the transaction, itself, from IEPA and IFA?

And I think just having the Chair and staff be able to address these things was really important. The investor also stepped up and put in orders and was awarded some of the bonds. You know, really, from our perspective, this was a great honor to be part of.

It's always fun to work for an energetic and thoughtful group; and on behalf of our team, we thank you and happy to answer any questions.

YONOVER: Eric, great presentation. Well done. I'm not a bond guy, so I'm not sure I completely understand.

So just a quick education, the $660,000,000 came into the account, but 560 goes into water, and it cost $1,000,000 to issue. Where is the other $99,000,000?

ROCKHOLD: The bonds were sold at an interest rate of 5 percent. So, when they're sold, the interest rate the investors receive is at 5, but the market for those bonds today, actually the yield, the effective yield for what the investor receives, is, say, 3.

So that difference between 3 and 5 percent they have to pay. Today, you know, say, you get a

bond for $120, you have to pay $120 today to get that bond because it's only going to yield 3 percent.

So they have to pay more today so that the premium of the transaction represents the hundred and some odd million that goes into the premium the bondholders pay at closing, in order to receive that 5 interest rate over the 5, 10, 20 years that it's there, because that's an above-market interest rate that they will receive over the life of their holding of that bond.

YONOVER: So $100,000,000 is then used to pay that interest back, is that what I'm hearing?

ROCKHOLD: No, that goes into the account of the IFA to put into loans. They just receive that 5 interest. Today, if they were to buy a bond, it would yield only 3. So, they're actually getting an above-market interest rate in return.

So, they have to pay more for that today, in order to get that above-market interest rate over the 5, 10, 20 years. That's the rationale they employ.

MEISTER: John, did that answer your question?

YONOVER: I don't know. I'm sorry, I'm not getting it. There is $99,000,000. I don't know where it went.

ROCKHOLD: That extra $100,000,000 is going into the loan fund for IEPA to pass along to its purchase funds.

KNOX: Page 65 of the book, there's a sources and uses.

YONOVER: I know the bond guy will know. Thank you, Lerry.

KNOX: Sort of the use is there. You'll see the Clean Water Loan Fund, the Drinking Water Loan Fund.

YONOVER: I do.

KNOX: That totals $661,000,000. That is where the extra proceeds go.

YONOVER: Okay.

KNOX: So, as Eric was saying, basically they're paying more money because they are getting a higher return than what they should get in the market today for what that actually priced they're getting a mortgage for. Rather than paying 6 percent on the mortgage, the fair market is 3. You

have to pay more. So, very similar.

YONOVER: Got it.

KNOX: The money is in the fund. It goes to the state.

YONOVER: I've learned what I need to learn today.

ROCKHOLD: Good. Any other questions? Thank you. We appreciate it.

CHAIRMAN ANDERBERG: Thank you, Eric.

FLETCHER: We also have from IEPA Carol Radwine who wants to offer a few comments to the Members of

the Board.

RADWINE: Good morning. I think it's been pretty well covered. What I would like to add, when IEPA approached IFA with the timeline that was needed, which was an accelerated pace.

The term "It takes a village," I'm glad I was a member of that village because everybody jumped in and made our timeline, which has to be commended.

Because, I think, originally, we thought we would have money to take us a little farther into the fall, but because of the success of this program, and the incredible interest rate to the

municipalities, we just have people contacting as word gets around.

So that everybody worked together to meet the accelerated pace. Thank you. Thank you. Thank you. That we remain AAA rated throughout. With all the problems that the State of Illinois has gone through, as a whole, is extremely commendable and speaks to the strength of this program and the strength of the people involved all the way around, not just IEPA and IFA, but the financial advisors, the bond team.

I think it's something that I know, as CFO of a state agency, I'm extremely proud of, and I had hoped to make it to New York one of these times at the bond sale. I think as many of you know, I am moving on to another venture in my state career.

So, this was my last bond sale. I didn't know it at the time it was happening. So, I think I leave IEPA in very good hands. Kevin Bryant couldn't be on the phone today, but he leads IEPA in these bond sale efforts, and he is the true heart of our team, and he will still be here.

And I know that we will be successful in the future, as we go back to market. So, I just

want to say thank you to everybody.

MEISTER: And, Carol, on behalf of the IFA, I just want to thank you because your personal commitment and, again -- can I name your new public service assignment?

RADWINE: Yes.

MEISTER: So, Carol is going to be leaving IEPA as CFO and going to the State Lottery. And I think that the State Lottery, and all of us as Illinois residents, will benefit from your commitment, your effectiveness and your professionalism.

But Carol really highlighted the breadth and the depth of the IEPA commitment. Kevin Bryant, Gary Bingenheimer, who actually interacts with the local governments to deploy the loans and his team, it was a village.

It was a team effort, and you will be sorely missed, but I'm glad that the Lottery is getting the benefit of your effectiveness and experience, Carol.

RADWINE: Thank you very much.

CHAIRMAN ANDERBERG: Thank you. Consideration of the minutes. Does anyone wish to make any additions, edits or corrections to the minutes from

August 17th, 2017?

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

BRONNER: So moved.

CHAIRMAN ANDERBERG: We have a motion. Do I have a second?

HORNE: Second.

CHAIRMAN ANDERBERG: We have a second. All those in favor?

(A chorus of ayes.)

CHAIRMAN ANDERBERG: Opposed?

(No response.)

CHAIRMAN ANDERBERG: The ayes have it. Financial reports. Ms. Granda?

GRANDA: Good morning, everyone. I will be presenting the financial statements for period ending August 31st, 2017. The financial statements, along with the financial analysis memo, is located in your Board books on the financial statements tab.

The Authority upgrading -- general operating fund is as follows: Our total annual revenue equals $620,000, and are $48,000 or 7.3 percent lower than budget. This is primarily due to lower closing fees.

In August, the Authority generated $227,000 in closing fees, which is $13,000 lower than the monthly budget of $240,000.

Our total annual expense equals $473, and are $111 or 19 percent lower than budget, which was mostly driven by a reduction in spending on professional services.

In August, the Authority recorded operating expenses of $220,000, which is lower by $72,000 from our budgeted amount of $292,000. The variance is between employee-related expenses and professional services.

Our total monthly net income is $150,000, which -- I'm sorry, other total monthly net income is $150,000, which is due to our reduction in spending and an increase in interest and investment income.

Our total annual net income is $147,000, and the major driver of the annual positive bottom line continues to be the level of overall spending at 19 percent below budget, as well as an increase in interest and investment income.

At this point, I want to have -- I want to

discuss two main points. The first point is an increase in the interest and investment income. And

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in July, the Authority worked with the investment manager under contract and updated the cash flows of the uncommitted cash balances.

Due to the investment manager investing more of the uncommitted cash balances, it directly increased the interest and investment income. Also, with the increase in the fed funds a few times over the last year, the investors are now earning more interest and combined with the investment manager invested the uncommitted cash balances, the more interest income the Authority is earning.

The second item that I want to discuss is the uncollectible debt. So, I'm going to provide an overview of the uncollectible debt.

From time to time, the Authority and its predecessors had loans and investments that actually did not work out. The Authority considers such loans or investments as uncollectible debt and writes them down to zero on the Authority's books.

But due to state law, in order to formally write off the uncollectible debt, the Office of the Attorney General must sign off on such write-offs on

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behalf of the state.

The majority of the uncollectible debt carried by the Authority dates back to the predecessor agency, and it was acquired before 2004, the date of the creation of the Authority.

What all this means, in August, the Authority received authorization from the Office of the Attorney General to formally write off the balances of these various legacy uncollectible debts. The total amount authorized for write-off in August was $350,000 for two loans.

The year-to-date authorized amount is $1.092 million for 9 loans. In addition, the Authority received an authorization to write off the balances from our venture capital program. The total amount authorization to write off was $2.9 million for seven companies.

With this authorization, the Authority anticipates the elimination of prior years findings. There is still two loans that are awaiting authorization from the Office of the Attorney General's Office.

At this point, the Authority would like to thank the Office of the Attorney General for their

cooperation and consideration of these legacy uncollectible debts.

There has been more progress made on resolving this issue since January of 2015 than the Authority's history in 2004 and 2015. The last thing, just a quick review, the financial audit for fiscal year 2017 started. This will be the second phase of the field work and the auditors are here in the Authority's premises.

So, just look ahead, in September, the Authority had closings from Southern Illinois

Healthcare Enterprises in the amount of $48,000 and, of course, the State of Illinois Clean Water Initiative in the amount of $250,000.

Coming up later in September, we have closings for Tabor Hills in the amount of $19,000 and Bradley University in the amount of $65,000.

Is there any questions? Thank you.

CHAIRMAN ANDERBERG: No further questions for Ms. Granda?

Hearing none, I would like to request a motion to accept the financial reports. Is there such motion?

BRONNER: So moved.

JURACEK: Second.

CHAIRMAN ANDERBERG: Motion and a second. All those in favor?

(A chorus of ayes.)

CHAIRMAN ANDERBERG: Opposed?

(No response.)

CHAIRMAN ANDERBERG: The ayes have it. Monthly procurement report?

FRANZEN: Good morning, Mr. Chairman, Members of the Board.

CHAIRMAN ANDERBERG: Good morning.

FRANZEN: From the procurement report, you will see we executed just four orders related to small purchases for the Authority. Bloomburg was executed after the publication of the report. So, it was in process. The remainder of the list is the expiring contracts through the 2018 fiscal year.

Are there any questions? Thank you.

CHAIRMAN ANDERBERG: Thank you.

YONOVER: Who is using the stand-up desks?

FRANZEN: Say again?

YONOVER: Who is using the stand-up desks?

FRANZEN: Mari is. Mari has one.

MEISTER: And Six and Pam.

YONOVER: Well done, everyone.

MEISTER: We're hoping to reduce health insurance issues.

YONOVER: Treadmill next.

MEISTER: Yes. I also want to just highlight an item here. I've been working with our IT manager, Rob Ritchfield, and we're working through a rather methodical replacement and identification of IT hardware and software and updates.

And the goal of this is to protect the Authority's systems and information to the highest extent possible from any third-party invasion.

And, so, there was, despite, frankly, tremendous efforts over the last two years, at the state level, there was a state agency that was hit in July, and their systems were brought down for a number of weeks.

So, Rob Ritchfield and I have been working, and you'll see more items in the coming months. The -- basically, the general -- the best

protection is updating the hardware and the software, rather than leaving it open for exposure to the third parties.

So, we're working on that, and you'll see

more of this in the coming months.

CHAIRMAN ANDERBERG: Okay. Thank you. Committee reports? Mr. Horne?

HORNE: Yes. The Conduit Committee, I think that is our official name, met this morning, and we had several items of business before us. I guess I should rattle off the names.

We had a farmer bond. We had a -- there we go. Okay. Cantigny Foundation, the Chicago Charter School Foundation, Blessing Hospital, Advocate Healthcare Network, Tabor Hills Supportive Living community, Iowa Health System.

There were resolutions on Navy Pier and Sacred Heart. All were presented and all were unanimously approved by our Committee.

CHAIRMAN ANDERBERG: Okay.

HORNE: For recommendation to the Board.

CHAIRMAN ANDERBERG: Thank you, Bob. All right. Presentation and Consideration of the Progress Reports and Resolutions. I would like to ask for a general consent of the Members to consider the Project Reports and Resolutions collectively.

We have one, No. 5, the subsequent recorded vote applied to each respective individual

Project and Resolutions, unless there are any specific Project Reports and Resolutions that a Member would like to consider secondly.

GOETZ: And, Mr. Chairman, I need to abstain on item No. 5, Advocate Health Systems. I have a son that works for their financial advisor.

CHAIRMAN ANDERBERG: Very good. So, we'll do No. 5 at the end. I guess we'll hear them now. Mr. Evans?

EVANS: Yes. Good morning, everybody. Today there's one beginning farmer bond. This bond will have a first mortgage position relating to it. The borrowers are Matthew L. and Janet L. Roark, who is purchasing 95.58 acres of bare farm real estate.

The total cost of this purchase is $620,000, or $6,487 per acre. People's State Bank of Newton will finance 51.61 percent of the purchase price or $320,000.

The bank would utilize the FSA beginning farmer loan program, which maximum loan amount is $300,000. As stated, IFA bonds will be first mortgage position on the property being purchased.

FSA would have a second position relating to their 48.39 percent guarantee, and the property

is located in the southeast corner of Lawrence County with the terms of the bonds identified in the

write-up.

If there's no questions, I'll give the floor back to you, Mr. Chairman.

CHAIRMAN ANDERBERG: Okay. Thank you, Pat. Mr. Frampton?

FRAMPTON: Thank you, Mr. Chairman. Next we'll move on to item 2, which is a Final Bond Resolution for the Cantigny Foundation. This is being presented for one-time consideration.

The Cantigny Foundation has requested approval of a Final Bond Resolution in an amount not to exceed $60,000,000, that will be purchased directly by MB Financial Bank. The not-to-exceed parameter on the maturity date will be set at 40 years, consistent with most IFA parameter resolutions.

The initial interest rate period that will be provided for MB Financial Bank will be 15 years; and during that time, the bonds will be on an interest-only basis.

As security for MB, the bonds will be a general obligation of Cantigny Foundation and will

also be guaranteed by the Robert M. McCormick Foundation. Additionally, the foundation will also be providing MB with a active pledge on real and personal property assets of Cantigny Foundation.

In terms of the anticipated issuance amount of the proposed bond issue, the not-to-exceed amount is $60,000,000. The anticipated issuance amount will be $58,000,000, as pointed out in the sources and uses table at the bottom of page 1.

The proposed Series 2017 bonds will also be issued as drawdown bonds and the proceeds will be used to finance a Series of capital improvement projects to be undertaken by Cantigny over the next six years, at it's Cantigny Park.

There are three primary elements, or three key components to the project, including the First Division Museum. In your press clippings for the month, there is an article regarding the reopening of the First Division Museum, which opened on Saturday -- reopened on Saturday, August the 26th.

The second component will be the Robert R. McCormick House Museum. There will be a series of improvements there. Additionally, there will be improvements on the grounds and to other facilities

at Cantigny Park.

In terms of the financials, if you turn to pages 8 and 12, the two foundations are actually reported for auditing purposes as a consolidated entity, but I have broken out the individual results for each foundation based on their consolidating statements, and the key thing to look at are -- is the balance sheet.

Cantigy, page 8, current assets and other non-current assets, those two items are almost exclusively comprised of cash and investments. Same

thing for the Cantigny Foundation on page 12.

Current assets and non-current assets are essentially all comprised of cash and investments. So, on a combined basis, there is low ten figures of combined liquid balance sheet strength.

So, just in terms of project impact, the 2017 bonds will enable the foundation to finance or reimburse for eligible project purposes, capital improvements at the First Division Museum, McCormick House Museum and Cantigny Park and a single bond issue.

It will enable improvements to be financed over the next six years. The tax-exempt financing

will enable Cantigy to finance these improvements at the lowest possible cost, thereby enabling Cantigy to expand their programming, potentially including educational programming, based on their revenue base.

And before I conclude my remarks, I would like to introduce and acknowledge Mr. Lou Marsico, and Ms. Sheau-Mi Ross. Lou is the senior VP of operations at Cantigy. Sheau-Mi is the CFO and treasurer.

MARSICO: Good morning. Thank you very much for the consideration. We really enjoyed working with Rich and his staff. The IFA has made this a very interesting process and one we look forward to completing. So thank you for your consideration.

CHAIRMAN ANDERBERG: Thank you.

FRAMPTON: And little did I know, based on our first contact, I had sent an E-mail to Lou saying -- back in March of 2010, and what I said was, "I look forward to working with you to finance your capital improvement projects over the next several years."

Little did I know how prophetic that was going to be. So, I'll turn things back over to the Chair.

CHAIRMAN ANDERBERG: Thank you, Rich.

MEISTER: I would also just like to thank you, personally. It's a beautiful location. It's an extraordinary museum and it's great grounds.

So, if anybody has not been to the Cantigy facility, please go, because it's really incredible, and it's a tribute to obviously our military veterans, and the museum about The Big Red One is really well done and effective. Thank you.

MARSICO: Thank you.

JURACEK: Mr. Chairman, just to add on to -- pile on to the compliment. I'm the Mayor of Mount Prospect, Illinois, and our sister city is France, and they are sending a delegation over in mid-October, and we've been working with your organization.

They will be visiting Cantigy, and it holds -- you know, The Big Red One holds an important connection to France, and we're looking forward to sharing your new museum and your improved

grounds with them in October.

MARSICO: Thank you very much.

FRAMPTON: Okay. Thank you.

FLETCHER: Mr. Chair, Members, next is tab 3 in

your Board books, which is a Final Bond Resolution on behalf of Chicago Charter School Foundation, which does business as Chicago International Charter School.

The resolution is a not-to-exceed amount of $62,000,000. This is being presented for a one-time consideration. Chicago International Charter School is a public charter school here for Chicago that operates a network of 14 campuses citywide that provides education to over 8600 students in grades kindergarten through 12.

Chicago Charter School Foundation has had a charter agreement with Chicago Public Schools, CPS, since 1997; and, most recently, a charter was renewed through June 30th, 2024, last month for a period of seven years.

The borrower uses four different education management organizations to run day-to-day operations of its charter school network, while operating under yearly performance-based contracts with the borrower.

If you turn to page 5 of the report, you will note the table I provided near the bottom of the page provides the list of the education management organizations for each campus and its network. With the exception of Charter Schools U.S.A., each education manager organization is a 501(c)(3) not-for-profit entity.

To the transaction before you, the plan to finance seeks to refund the outstanding 2007 bonds issued previously by the Illinois Finance Authority in the amount of approximately $42,000,000, as well as finance on a tax-exempt basis of approximately $9,000,000 of various capital improvements at several campuses in their network.

The estimated project costs are provided on the bottom of page 3 of the report, with respect to the new capital expenditures. The fixed rate and tax exempt and the potentially taxable bonds will be sold based on the direct underlying rating of the borrower.

They are currently rated BBB by S&P, and they applied for a rating update potential for this transaction. The investors will be secured by a pledge of network revenues, as well as mortgages on the Basil Campus, Longwood Campus, Boone's Primary Campus, Northtown Academy Campus and Ralph Ellison High School Campus.

A couple notes for the record. The updated resolution has been provided in your

folders. That is the resolution you are voting on. There have been material changes to the resolution since the printing of the Board book, among which a trustee has been he engaged.

It will be Amalgamated Bank of Chicago. That was not available at the time of the printing of the Board book. Finally, I want to note that we have Kathleen Clark, Chief of Network Operations here, along with borrower's counsel from Chapman & Cutler, Nancy Burke.

I wanted to thank them personally for coming to attend this meeting. If you're not aware, running a charter school network is very highly demanding. So, I appreciate their time, and I thank you for applying to the Authority.

Are there any questions? Thank you.

CHAIRMAN ANDERBERG: Thank you. Pam?

LENANE: No. 4 in your packet is Blessing Hospital. Blessing Hospital is located in Quincy, Illinois. They are seeking a final resolution in the amount of $20,000,000 to refund their 2007 bonds that were issued by the City of Quincy, and to

reimburse themselves for funds spent for certain healthcare facilities, including, but not limited to, food services facilities located at the hospital.

The only material change since the preliminary report that was sent in August, they've added a description of the new issuance of the new money project. Also, they've added that there will be 35 construction jobs.

Blessing Hospital is currently rated A stable by S&P and A2 stable by Moody's. The estimated closing date is November 2017.

If you turn to their financials on page 6, yes, on page 6, they have good strong financials, 5.32 debt service coverage and 207 days cash on hand. The net present value savings from this refunding is $1.9 million.

Any questions? Now we've taken out --

CHAIRMAN ANDERBERG: Right.

LENANE: We'll go to 6. Six is Tabor Hills. Tabor Hills Supportive Living Community located in Naperville is seeking a one-time Final Bond Resolution in the amount of $16,000,000.

The bond proceeds will be used to refund

their Series 2006 IFA bonds and pay cost of issuance. Just for information, Tabor Hills was originally the Bohemian Home for the Aged, and it was located at Foster and Pulaski.

They sold that facility and developed a new senior living facility consisting of 211 bed nursing facility and independent living patio homes in Naperville.

The bonds will be a direct bank purchase by Fifth Third Bank, and they will be a fixed rate with an interest rate of 3 percent. If you look at

the financials for Tabor Hills on page 6 -- 7, on page 7, they have good strong financials, showing good debt service coverage of 2.47 times and 371 days cash on hand. The estimated net present value of savings from this refunding is $6.9 million.

Any questions? Tab No. 7 is Iowa Health System, doing business as UnityPoint Health. UnityPoint Health is seeking a one-time Final Bond Resolution to finance the cost of acquisition of land and construction of a medical office building at 3591 Griffin Avenue in Pekin, Illinois, and to retire an existing loan that was entered into to finance -- the cost of financing a portion of this

project.

They are seeking -- it's a $20,000,000 one-time Bond Resolution. They are projecting 200 construction jobs in connection with the project. Pekin Hospital is 107 bed facility located in Pekin, Illinois, offering primary and specialty care, along with home healthcare services.

UnityPoint is currently rated A, AA3, AA- long term by Moody's and Fitch. The interest rate will be set at the time of pricing. The bonds will be purchased by Pekin Bank, which is a division of Morton Community Bank.

Financials on page 7 indicate strong debt service coverage of 3.8 times and 208 days cash on hand.

Any questions? Okay.

CHAIRMAN ANDERBERG: Thank you. Real quick, I would like to again recognize for Brad Kathleen Clark for being here today. I thank her for the work with charter schools.

We discussed it a little bit this morning in the Conduit, what challenging work it is in the current time. Again, from the IFA, thank you.

CLARK: We just also wanted to thank everyone

we worked with. The IFA has been absolutely amazing. We really just appreciate everyone's support. Thank you.

CHAIRMAN ANDERBERG: Thank you, Pam.

HORNE: I was just going to add I serve on a charter school Board. It is challenging at the moment. So, you guys are just doing great work. We really appreciate it.

CLARK: Thank you.

CHAIRMAN ANDERBERG: Okay, Brad.

FLETCHER: Next is tab No. 8. Tab No. 8 in your Board books is a Final Bond Resolution on behalf of Navy Pier, Incorporated, in a not-to-exceed amount of $20,000,000. Navy Pier, Incorporated, is a 501(c)(3) entity.

It manages Navy Pier on Chicago's lakefront, pursuant to a long-term lease with the Metropolitan Pier and Exposition Authority, which is the owner of Navy Pier.

IFA issued bonds in 2014 to finance on a

tax-exempt basis the manufacturing and installation of a new ferris wheel, as well as construction to the new theater that replaced at the time the former Pepsi Skyline Stage, in addition to other

renovations and improvements at the Crystal Gardens and the Polk Brothers Park.

The $46.5 million 2014 bonds are issued in two different series. Series 2014A bond was issued in $26.5 million, and a Series 2014B bond was issued as a drawn-down bond in the amount of $20,000,000.

2014A bond was issued in connection with the ferris wheel, and the project is amortized over 20 years, with Fifth Third Bank holding the bond for an initial term of ten years.

In contrast, the 2014B bonds was issued as drawdown bond maturing on January 1, 2032, or amortized over 15 years as principal repayment just began this past January. The 2014B bond is likewise held by Fifth Third Bank.

At this time Fifth Third Bank and the borrower have agreed to smooth their debt service schedule with respect to the 2014B bond by leveling debt service payments, as well as extending the final maturity by four years to 2036.

In exchange for this being provided to the borrower, Fifth Third Bank has requested 15 more basis points borne on the 2014B bond through maturity. So these are terms and conditions that

Fifth Third Bank and the borrower have agreed to, and we are simply being asked for our consent at this time.

We did hold a federal TEFRA hearing as required by Federal Tax Law this past Friday, and we recommend approval. Any questions? Thank you.

FRAMPTON: Okay. Next we'll turn to item 9, a resolution for the Convent of the Sacred Heart of Chicago, Illinois, and the Sacred Heart Schools.

The convent of the Sacred Heart of Chicago, Illinois, and Wintrust Bank are requesting approval of a resolution to authorize the execution and delivery of a first amendment to the bond and loan agreement and to approve related documents to define and effectuate an interest rate reset with Wintrust Bank in connection with the outstanding $15,000,000 balance for Sacred Heart School Series 2012.

The Series 2012 bonds were issued in a principal amount of $20,000,000 and enabled Sacred Heart School to exit their then-existing letter of credit enhanced bond structure that was with Fifth Third Bank originally. That had originally been issued in 2008.

The 2012 bonds were refinanced as a bank direct purchase transaction with PNC, with an

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initial term of five years through October 1, 2017. Sacred Heart has requested that effective October 1, 2017, the Series 2012 bond will be remarketed to Wintrust Bank, or one of its affiliates, as the new purchaser. Wintrust will become the new relationship bank for Sacred Heart at that time.

In order to effectuate this remarketing to Wintrust, pursuant to which Wintrust will become the new lender and investor of the Series 2012 bonds, Sacred Heart has requested that the Authority authorize and approve certain amendments to the existing bond and loan agreement, including certain amendments relating to the determination of the interest rate on the bond.

All is set forth in a first amendment to the bond and loan agreement between IFA, Sacred Heart and Wintrust Bank as the new purchaser.

In order to carry out the remarketing of the bond to Wintrust as the new purchaser, and the effectiveness of the amendments to the bond and loan agreement, the Authority is being asked to authorize and execute a new amended bond to Wintrust Bank,

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reflecting the interest rates and terms approved by Wintrust Bank for the interest rate period effective October 1, 2017, and continuing for the next seven years through October 1, 2024.

The changes requested in connection with this proposed first amendment will result in a reissuance for tax purposes. There will, however, be no change in the final maturity date originally established for the Series 2012 bond, which will remain at July 1, 2042; and, thus, no TEFRA hearing will be required in connection with these actions.

We recommend approval, and with that, I'll turn things back over to the Chairman.

CHAIRMAN ANDERBERG: Thank you, Rich. Okay. With that, I would like to request a motion to pass and adopt the following Project Reports and Resolutions numbers 1, 2, 3, 4, 6, 7, 8 and 9. Is there such a motion?

GOETZ: So moved.

FUENTES: Second.

CHAIRMAN ANDERBERG: We have a motion and a second. Will the Assistant Secretary please call the roll?

FLETCHER: On the motion and second, I'll call

the roll. Ms. Bronner?

BRONNER: Yes.

FLETCHER: Mr. Fuentes?

FUENTES: Yes.

FLETCHER: Mr. Goetz?

GOETZ: Yes.

FLETCHER: Mr. Horne?

HORNE: Yes.

FLETCHER: Ms. Juracek?

JURACEK: Yes.

FLETCHER: Mr. Knox?

KNOX: Yes.

FLETCHER: Mr. McCoy?

McCOY: Yes.

FLETCHER: Mr. O'Brien?

O'BRIEN: Yes.

FLETCHER: Ms. Smoots?

SMOOTS: Yes.

FLETCHER: Mr. Yonover?

YONOVER: Yes.

FLETCHER: Mr. Chairman?

CHAIRMAN ANDERBERG: Yes.

FLETCHER: Mr. Chairman, the motion carries.

CHAIRMAN ANDERBERG: Okay, thank you. I have

to ask Mr. Goetz to leave the room. I will move to project report No. 5. Pam?

Before you do, Pam, I would like to recognize today we have the vice-president of finance and corporate controller of Advocate here today, Mr. Jim Doheny.

I would like to recognize Advocate is one of the most important, not only important, but the largest issuers through the IFA. And after today, since 2012, we will have exceeded over $718,000,000 of issuance by the IFA. Thank you.

DOHENY: Thank you. On behalf of Advocate Healthcare and its 37,000 associates, I would like to thank the Board, the Chairman for your support of the years of advocate Healthcare.

I've been in this role at Advocate for a little over a decade and have had a very wonderful outstanding relationship and support from the IFA staff, from Pam, Chris, and the entire team.

Over the years, it has been a very, very collaborative and professional and just overall excellent relationship. So, once again, I would like to thank you for consideration of our project today.

CHAIRMAN ANDERBERG: Thank you.

DOHENY: Thank you.

CHAIRMAN ANDERBERG: Thank you, Pam.

FLETCHER: Let the record reflect Member Goetz exited the room prior to said discussion. Thank you.

LENANE: Okay, tab No. 5 in the book is Advocate Healthcare Network. Advocate Healthcare Network is seeking a one-time final bond resolution in the amount of $100,000,000 for the conversion of their Series 2011C and D bonds.

The bonds were originally issued in an initial index interest rate period with PNC Bank and will be reissued in a new index interest rate period and will be purchased by U.S. Bank.

Advocate Healthcare Network is a continuum of care through ten of its acute care hospitals and Children's Hospital with approximately 36 -- 3,600 licensed beds, primary and specialty physician services, outpatient centers, physician office

building, home healthcare and hospice. Advocate's underlying ratings are A2, AA plus, AA by Moody's S&P and Fitch.

If you would turn to page 7 in the

financials, you'll see that Advocate has very strong financials with their unaudited six months and the 6-30-17 showing 9.2 times debt service coverage and 342 days cash on hand. Thanks, Jim.

CHAIRMAN ANDERBERG: Thank you.

DOHENY: Thank you.

LENANE: Any questions? No?

CHAIRMAN ANDERBERG: I would like to request a motion to pass Project Report No. 5. Is there such motion?

GOETZ: So moved.

CHAIRMAN ANDERBERG: We have motion. Is there a second?

McCOY: Second.

CHAIRMAN ANDERBERG: Will the Assistant Secretary please call the roll?

FLETCHER: On the motion and second, Ms. Bronner?

BRONNER: Yes.

FLETCHER: Mr. Fuentes?

FUENTES: Yes.

FLETCHER: Mr. Horne?

HORNE: Yes.

FLETCHER: Ms. Juracek?

JURACEK: Yes.
FLETCHER: Mr. Knox?
KNOX: Yes.
FLETCHER: Mr. McCoy?
McCOY: Yes.
FLETCHER: Mr. O'Brien?
O'BRIEN: Yes.
FLETCHER: Ms. Smoots?
SMOOTS: Yes.
FLETCHER: Mr. Yonover?
YONOVER: Yes.
FLETCHER: And Mr. Chairman?
CHAIRMAN ANDERBERG: Yes.
FLETCHER: Mr. Chairman, the motion carries.
CHAIRMAN ANDERBERG: Okay. Thank you. We'll get Mr. Goetz back in the room.
FLETCHER: Let the record reflect Member Goetz has returned to the room.
CHAIRMAN ANDERBERG: Okay. Is there any other business to come before the Members? Hearing none, I would like to request a motion to excuse the absences of Members unable to participate today.
Is there such a motion?
O'BRIEN: So moved.

CHAIRMAN ANDERBERG: We have a motion. Do we have a second?

FUENTES: Second.
CHAIRMAN ANDERBERG: All those in favor?
(A chorus of ayes.)
CHAIRMAN ANDERBERG: The ayes have it. Is there any public comment from Members today? Good.
The next regularly-scheduled meeting will be October 12th. I would like to request a motion to adjourn. Is there such a motion?
FUENTES: So moved.
CHAIRMAN ANDERBERG: Is there a second?
KNOX: Second.
CHAIRMAN ANDERBERG: All those in favor?
(A chorus of ayes.)
CHAIRMAN ANDERBERG: Any opposed?
(No response.)
CHAIRMAN ANDERBERG: The ayes have it. Thank you.
FLETCHER: The time is 10:29 a.m.
(WHICH WERE ALL THE PROCEEDINGS HAD AT 10:29 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 hearing.

____
PAMELA A. MARZULLO
License No. 084-001624

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

October 12, 2017

10 YEAS 0 NAYS 0 PRESENT

NV	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Zeller
Y	Goetz	Y	O'Brien	Y	Mr. Chairman
E	Horne	Y	Obernagel		
Y	Juracek	Y	Poole		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
OCTOBER 12, 2017 AGENDA OF THE REGULAR MEETING OF THE MEMBERS, AS AMENDED
ADOPTED

October 12, 2017

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
SEPTEMBER 14, 2017 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

October 12, 2017

11 YEAS | 0 NAYS | 0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

October 12, 2017

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

E – Denotes Excused Absence

NO. 01

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-1012-NP01
501(C)(3) REVENUE BOND – CHF-CHICAGO, L.L.C.
PRELIMINARY
PASSED*

October 12, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 02

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-1012-HC02
501(c)(3) REVENUE BOND – FRIENDSHIP VILLAGE OF MILL CREEK, NFP D/B/A
GREENFIELDS OF GENEVA
FINAL (ONE-TIME CONSIDERATION)
PASSED

October 12, 2017

10 YEAS		1 NAY		0 PRESENT	
Y	Bronner (VIA AUDIO CONFERENCE)	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Zeller
Y	Goetz	N	O'Brien	Y	Mr. Chairman
E	Horne	Y	Obernagel		
Y	Juracek	Y	Poole		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-1012-NP03
501(c)(3) REVENUE BOND – NORTHWESTERN MEMORIAL HEALTHCARE
PRELIMINARY
PASSED

October 12, 2017

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

E – Denotes Excused Absence

NO. 04

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-1012-HC04
501(c)(3) REVENUE BOND – PEACE VILLAGE
PRELIMINARY
PASSED*

October 12, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 05

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-1012-HC05
RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $20,000,000 IN AGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY HEALTH FACILITIES REVENUE BONDS, SERIES 2017 (UNITYPOINT HEALTH), THE PROCEEDS OF WHICH ARE TO BE LOANED TO IOWA HEALTH SYSTEM D/B/A UNITYPOINT HEALTH
ADOPTED*

October 12, 2017

11 YEAS | 0 NAYS | 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

Financial Analysis Memo, Financial Reports and Treasury Reports will be distributed separately.

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ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
November 9, 2017

I. CONTRACTS/AMENDMENTS EXECUTED					
Illinois Procurement Code-Small Purchases	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
	Sullivan Reporting Company	11/01/2017-10/31/2018	$9,500	Small Purchase	Court Reporting
	CDW-G HP Support	09/11/2017-09/10/2017	$8,175	Executed BOA against State Master CMS694748A	Support for HP servers, disk array and tape drive for IFA IT infrastructure.
	United Parcel Service	*11/21/2017-11/20/2018	$4,000	Continue with State Master CPOGS15001, expires 11/21/2017. Two 1 year renewals available.* BOA for 1 year renewal pending State renewal.	Package delivery services
	Wellspring Software, Inc.	10/31/2017-10/30/2018	$100	Small Purchase	PrintBoss Software for printing checks.
	Neopost	11/1/2017-10/31/2020	$22.95/month	Replacement rentals	Postage Machines in Chicago and Mt. Vernon

II. CONTRACTS/AMENDMENTS EXECUTED (cont'd)					
Illinois Procurement Code-Sole Source	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
	Ascent Innovations, LLC	**11/08/2017-06/28/2018	$165,000	Sole Source Amendment. **Actual starting date subject to Sole Source Hearing.	Accounting Software Upgrades, Payroll, Timekeeping, Maintenance and Support

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
November 9, 2017

III. EXPIRING CONTRACTS					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
Illinois Procurement Code-Small Purchases	United Parcel Service	11/21/2017	$2,000/5 mo.	Continue with State Master CPOGS15001, expires 11/21/2017 with 2 renewals.	Package delivery services
	Network Solutions	12/20/2017	$38	Purchase again via Small Purchase with incumbent.	For site URL.
	Illinois Department of Human Services	12/31/2017	$98	Purchase again via Small Purchase with incumbent.	Printing Services
	Mountain Valley Cooler Rental Mt Vernon	12/31/2017	$96	Purchase again via Small Purchase with incumbent.	Rental
Illinois Procurement Code-Emergency Purchase	ADP TotalSource	12/31/2017	$270,000	Use State Master CMS4819650, with Mesirow, expires 4/30/18, one 1 year renewal remaining	Employee Benefits and Payroll Services

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
November 9, 2017

EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
Illinois Procurement Code-Small Purchases	Xerox Color Copier - Chgo	01/31/2018	$5,860	Replace and lease	Lease for color copier
	DropBox	02/18/2018	$1,670	Purchase again via Small Purchase with incumbent.	File Sharing for Board books
	First Choice Services renewal	02/25/2018	$800	Purchase again via Small Purchase with incumbent.	Annual Water Filtration Lease
	National Tek Services, Inc	02/28/2018	$16,601	RFQ	Symantec Backup Services 3 year renewal
	National Tek Services, Inc.	03/25/2018	$1,750	Renew license	Trend Micro Enterprise Security for EndPoint
Illinois Procurement Code-Competitive Bids	Acacia Financial Group, Inc.	03/01/2018	$225,000	RFP/Exemption	Financial Advisors
	Sycamore Advisors, LLC	03/01/2018	$225,000	RFP/Exemption	Financial Advisors
Illinois Procurement Code-Small Purchases	National Tek Services, Inc	03/31/2018	$1,245	Renew license	MailArchiva software
	Tallgrass Systems	03/31/2018	$4,491	Purchase again via Small Purchase with incumbent.	Barracuda energizer updates and replacement
	Tallgrass Systems Limited 2017-2018	03/31/2018	$1,649	Purchase again via Small Purchase with incumbent.	Barracuda 300A Technology Refresh
	United States Postal Service	03/31/2018	$356	Purchase again via Small Purchase with incumbent.	PO Box 2016
Illinois Procurement Code-Order Against Master	Mesirow Insurance Services	04/04/2018	$297,900	Continue with State Master CMS4819650, expires 4/30/18, one 1 year renewal remaining	Insurance Brokering Services
Illinois Procurement Code-Small Purchases	Com Microfilm Company, Inc. (Doc Image)	04/17/2018	$75,000	State in process of RFP. Continue with State Master	Document Imaging

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
November 9, 2017

EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
Illinois Procurement Code-Small Purchases	National Tek Services, Inc.-ADM Manage	04/19/2018	$1,480	Purchase again via Small Purchase with incumbent.	Manage Engine ADMManager
	Marcor Technologies	05/6/2018	$4,500	RFQ	MailArchiva Support 3 years
	Arbitrage Compliance Specialists	05/31/2018	$49,000	RFP	Arbitrage Liability Calculation Services/Bond Comp
	Hewlett Packard Enterprise	05/31/2018	$5,627	Purchase again via Small Purchase with incumbent.	Hardware Support Care Packs
	MX Save	06/12/2018	$588	Purchase again via Small Purchase with incumbent.	Disaster Recovery for email
	GoDaddy	06/14/2018	$150	Purchase again via Small Purchase with incumbent.	SSL Certificate for Mobile Device Management
	Merlinos & Associates	06/15/2018	$45,040	TBD	Actuarial Services
Illinois Procurement Code-Competitive Bids	Ascent Innovations	06/23/2018	$155,128	Renewals available for $42K/yr.	Accounting Software Maintenance and Support
Illinois Procurement Code-Small Purchases	3rd Coast Imaging, Inc.	06/30/2018	$10,000	TBD	Printing Services for Monthly Board Books
	Com Microfilm Company, Inc. (Maint&Supp)	06/30/2018	$7,230	Continue with State Master. State in process with RFP	Docuware Maintenance and Support
	Novanis IT Solutions	06/30/2018	$203	Purchase again via Small Purchase with incumbent.	Encryption of laptops
	Presidio Networked Solutions	06/30/2018	$3,292	Continue with new State Master. Contract in process.	Production Support/Subscription VMWare

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher and Patrick Evans

Date: November 9, 2017

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 $524,200 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $803,550**
- **Calendar Year Summary:** (as of November 9, 2017)
  - Volume Cap: $10,000,000
  - Volume Cap Committed: $4,126,813
  - Volume Cap Remaining: $5,873,187
  - Average Farm Acreage: 61
  - Number of Farms Financed: 17
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - IFA conveys tax-exempt, municipal bond status onto the financing
    - Will use dedicated 2017 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 (typically 1st Mortgage)
  - As the conduit bond issuer, IFA conveys its rights to all cash flows and collateral (security) to the Bank
  - 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:	**30394**
Borrower(s):	**Hayes, Jason**
Borrower Benefit:	First Time Land Buyer
Town:	Jacksonville, IL
IFA Bond Amount:	**$502,250.00**
Use of Funds:	Farmland – 60 acres of farmland
Purchase Price:	$647,250 / $10,788 per acre
% Borrower Equity	0%
% IFA Bonds	77% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency ("FSA")	23% *(Subordinate Financing – 2nd Mortgage)*
Townships:	Leanna
County/Region:	Logan / Central
Lender/Bond Purchase:	First National Bank of Litchfield / Kevin Niemann
Legislative Districts:	Congressional: 18
	State Senate: 50
	State House: 100

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

B. Project Number:	**30395**
Borrower(s):	**Yager, Levi B. & Megan N.**
Borrower Benefit:	First Time Land Buyer
Town:	Oblong, IL
IFA Bond Amount:	**$193,800.00**
Use of Funds:	Farmland – 40 acres of farmland
Purchase Price:	$204,000 / $5,100 per acre
% Borrower Equity	5%
% IFA Bonds	95% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency ("FSA")	0% *(Subordinate Financing – 2nd Mortgage)*
Townships:	St. Marie
County/Region:	Jasper / Southeastern
Lender/Bond Purchase:	First National Bank of Olney / Todd Musgrave
Legislative Districts:	Congressional: 15
	State Senate: 55
	State House: 110

Principal shall be paid annually in equal installments pursuant to a Twenty-year amortization schedule, plus accrued interest with the first principal and accrued interest payment to begin on November 30, 2018 with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

C. Project Number:	**30396**
Borrower(s):	**Keller, Ethan C.**
Borrower Benefit:	First Time Land Buyer
Town:	West Liberty, IL
IFA Bond Amount:	**$107,500.00**
Use of Funds:	Farmland – 42 acres of farmland
Purchase Price:	$215,077.50 / $5,121 per acre
% Borrower Equity	0%
% IFA Bonds	50% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency ("FSA")	50% *(Subordinate Financing – 2nd Mortgage)*
Townships:	St. Marie
County/Region:	Jasper / Southeastern
Lender/Bond Purchase:	Peoples State Bank of Newton / Brian Bohnhoff
Legislative Districts:	Congressional: 15

State Senate:	55
State House:	110

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin on February 1, 2019. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2019 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

CONDUIT

ILLINOIS FINANCE AUTHORITY

November 9, 2017

$120,000,000
CHF-Chicago, L.L.C. (CHF-Chicago L.L.C. - University of Illinois at Chicago Project)

REQUEST	**Purpose:** Bonds will be issued in one or more series and proceeds will be used by **CHF-Chicago, L.L.C.** ("**CHF**" or the "**Borrower**"), an Alabama single member limited liability company, to (i) finance the cost of the acquisition, construction, furnishing, and equipping of an approximately 550-bed student housing facility to be located on the campus of the University of Illinois at Chicago ("**UIC**" or the "University") and located on UIC-owned property bounded by Peoria Street (east), Morgan Street (west), I-290 (north), and Harrison Street (south) (the "**Student Housing Facility**"); (ii) finance a portion of the cost of the acquisition, construction, furnishing and equipping an approximate 51,000 SF academic facility (the "**Academic Facility**") and an approximate 1,700 SF retail facility (the "**Retail Facility**") and together with the Student Housing Facility and the Academic Facility, the "**Project**"), (iii) fund interest on the Bonds for a period requested by the Borrower, (iv) fund a debt service reserve fund for the benefit of the Bonds, if requested by the Borrower, (v) finance certain start-up costs and related working capital of the Project, and (vi) pay costs of issuance on the Bonds, including bond insurance all as permitted by the Illinois Finance Authority Act (and collectively, the "**Financing Purposes**"). The Project will be located on the **University of Illinois at Chicago's** main campus in Chicago, Illinois. The Project will be owned by CHF-Chicago, L.L.C, an affiliate of **Collegiate Housing Foundation** ("**CHF**"), a 501(c)(3) corporation based in Fairhope, AL on a site that will be ground-leased from the **Board of Trustees of the University of Illinois** (on behalf of UIC). The Project will be developed and constructed by **ACC SC Development LLC**, an affiliate of **American Campus Communities, Inc.** ("**ACC**") of Austin, TX. (American Campus Communities, Inc. is a publicly-traded real estate investment trust ("REIT") with shares traded under the "ACC" ticker on the New York Stock Exchange.) • Day-to-day operations of the Student Housing Facility portion of the Project will be managed by **ACC SC Management LLC,** an affiliate of ACC that undertakes property management services for student housing properties owned by unrelated third-party entities (i.e., entities other than ACC or its affiliates). • Day-to-day operations of the Academic Facilities and Retail Facilities to be constructed in connection with development of the Project will be managed by UIC pursuant to the Sublease Agreement between CHF-Chicago, L.L.C. and the Board of Trustees of the University of Illinois (on behalf of UIC). **Program:** 501(c)(3) Revenue Bonds (Student Housing and Academic Facility Revenue Bonds) **Extraordinary Conditions:** None. No IFA funds at risk.
BOARD ACTION	Final Bond Resolution Preliminary Bond Resolution – October 12, 2017: Yeas: 11 (Bronner: via Audio Conference); Nays: 0; Abstentions: 0; Absent: 2 (Horne, Knox); Vacancies: 2
MATERIAL CHANGES	The Borrower will also be applying to Moody's Investors Service to obtain a second rating on the Bonds. Discussion of potentially credit enhancing the proposed Series 2017 Bonds with municipal bond insurance. Additional details on the University's procurement and responsibilities associated with the Lease Agreement and Sublease Agreement on the Project (to which both CHF-Chicago, L.L.C. and the Board are parties).
JOBS DATA –	N/A – New Facility (UIC: 2.800 faculty; 8,357 FTE staff per UIC web site) Current jobs — 10 New jobs projected N/A Retained jobs — 120 (19 months) Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: CHF-Chicago, L.L.C. is an Alabama limited liability company formed in August, 2017 for the sole purpose of developing, financing, and owning the subject Project to be located on the University of Illinois at Chicago campus on land ground-leased (40-year term) from The Board of Trustees of the University of Illinois. (CHF was selected pursuant to a Request-For-Proposal issued by UIC in Fall 2016 to construct and finance the Project as part of a design-development-management team led by American Campus Communities, Inc.) ● Location: Chicago/Cook/Northeast

CONDUIT

November 9, 2017

$120,000,000
CHF-Chicago, L.L.C. (CHF-Chicago L.L.C. - University of Illinois at Chicago Project)

CREDIT INDICATORS

● The Bonds will be sold based on direct ratings of the Project by both (i) **Moody's Investors Service** ("**Moody's**") and (ii) **S&P Global Ratings** ("**S&P**") and sold publicly.

● **RBC Capital Markets LLC will be the Senior Manager** ("**RBC**" or the "**Senior Manager**") while **Loop Capital Markets, LLC will be the Co-Manager** ("**Loop**" or the "**Co-Manager**"). RBC and the financing team anticipate the underlying investment grade rating on the Project (e.g., 'Baa3' / 'BBB-' or above) from Moody's/ S&P.

- o Additionally, the financing team is evaluating the viability of municipal bond insurance (e.g., Assured Guaranty and Build America Mutual) to provide net savings based on a cost/benefit analysis.

● The Bonds will be sold on the basis of the underlying direct rating only (or credit enhanced rating if municipal bond insurance is deemed economical) of CHF-Chicago, L.L.C. (i.e., the owner of the Project) and ***will not*** be an obligation of the University of Illinois at Chicago or the Board of Trustees of the University of Illinois.

Payment on the Bonds will be remitted by CHF-Chicago, L.L.C. as Ground Lessee and Project Owner/ Sublessor. (CHF-Chicago, L.L.C. will remit all sublease payments from the Board/UIC to the Bond Trustee (Wilmington Trust N.A.).

● The project ownership and financing structure for the combined Academic and Student Housing Facility is very similar to four prior IFA financings of CHF-owned-and-financed student housing facilities developed at State universities including:

- Northern Illinois University (2 projects in 2006 and 2011, respectively)
- Illinois State University (2011)
- Northeastern Illinois University (2015).

STRUCTURE

● Publicly offered tax-exempt, fixed rate bonds with an anticipated term not-to-exceed 32 years.

● Security for the Bonds will include revenues collected by UIC (including both (i) auxiliary (student housing) revenues and (ii) dedicated student fees allocated to academic buildings which will be paid to the Bond Trustee (Wilmington Trust N.A.), along with various reserve funds and accounts held under the Trust Indenture (including a Debt Service Reserve Fund, and a Repair and Replacement Reserve).

● The Debt Service Reserve Fund will be fully funded at closing in an amount equal to Maximum Annual Debt Service on the Bonds. Deposits to the Repair and Replacement Fund will be made on an annual basis from Project cash flows in amounts deemed adequate for this Project (and will be subject to evaluation and comment by the rating agencies (Moody's and S&P) in connection with its rating evaluation).

● The Borrower will execute a Security Agreement encumbering all of the Borrower's rights, title and interest in and to the land and improvements; and an Assignment of Contract Documents, assigning the Borrower's interest in the development agreement, construction contract and related documents.

SOURCES AND USES – PRELIMINARY, SUBJECT TO CHANGE

Sources:		**Uses:**	
IFA Bond Proceeds (Par Amount + Premium)	$109,428,911	Project Fund	$98,427,391
University Equity	8,578,618	Capitalized Int.	11,057,583
		Debt Svc. Res. Fd.	6,928,500
Total	**$118,007,529**	Costs of Issuance	1,594,055
		Total	**$118,007,529**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 9, 2017

Project: CHF-Chicago, L.L.C.

STATISTICS

IFA Project:	12411	Amount:	$120,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad Fletcher
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

Final Bond Resolution Conduit 501(c)(3) Student Housing and Academic Facility Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution – October 12, 2017: Yeas: 11 (Bronner via Audio Conference); Nays: 0; Abstentions: 0; Absent: 2 (Horne, Knox); Vacancies: 2

PURPOSE

To finance, refinance, or reimburse the costs associated with the design, development, construction, furnishing, and equipping of (i) an approximate 550-bed student residence facility to be developed on land under a ground lease from the Board of Trustees of the University of Illinois to be located on the campus of the University of Illinois at Chicago (“UIC” – see p. 17 for site map/location) in Chicago, Illinois (the “Student Housing Facility”) and (ii) an approximate 51,000 SF academic facility (the “Academic Facility”) and 1,700 SF retail facility (the “Retail Facility” and together with the Student Housing Facility and the Academic Facility, the “Project”). Additionally, (iii) bond proceeds will also be used to fund capitalized interest on the Bonds for a period requested by the Borrower, (iv) fund a debt service reserve for the benefit of the Bonds, if requested by the Borrower, (v) finance certain start-up costs and related working capital of the Project, and (iv) pay bond issuance costs.

The Project will be owned by an affiliate of Collegiate Housing Foundation, a 501(c)(3) corporation based in Fairhope, AL that is engaged in developing 501(c)(3)-owned student housing projects nationally. The Project will be developed and constructed by an affiliate American Campus Communities, Inc., a publicly-traded (NYSE ticker symbol: ACC) real estate investment trust (REIT) of Austin, TX. Additionally, upon completion, day-to-day operations will be managed by an affiliate of ACC on behalf of the University.

IFA CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. The IFA’s issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

The subject Bonds will be issued as conduit 501(c)(3) Revenue Bonds and IFA will have no funds at risk.

VOLUME CAP

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

SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

Sources			**Uses:**		
	IFA Bond Proceeds (Par Amount + Premium)	$ 109,428,911		Project Costs	$ 98,427,391
				Capitalized Interest	11,057,583
				Debt Service Reserve Fund	6,928,500
	UIC Equity (for Academic Facilities and Retail Facilities)	$ 8,578,618		Costs of Issuance	1,594,055
	Total	**$ 118,007,529**		**Total**	**$ 118,007,529**

Note: The amounts reported in the table above are preliminary and subject to change. The Capitalized Interest Fund will be established at an amount sufficient to fund interest expense to February 1, 2020 (i.e., 6 months beyond the anticipated August 1, 2019 project delivery date). The Debt Service Reserve Fund will be capitalized at an amount sufficient to cover a minimum of one year's Maximum Annual Debt Service payments.

JOBS

Current employment:	N/A – New Project (UIC: 2,800 faculty total; 8,357 FTE staff; Source: UIC web site)	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	120 (19 months)

FINANCING SUMMARY

Comments On General Structure: The Series 2017 Bonds will be limited obligations of the Authority, payable solely from Revenues from the Project, including

- Amounts paid by UIC/Board pursuant to the Sublease Agreement.
- Amounts in certain funds and accounts held by the Trustee (Wilmington Trust N.A.) under the Trust Indenture (to which revenues from the Project will be pledged).

The following will be stated in both the Preliminary and Final Official Statement for the Series 2017 Bonds when posted: The Bonds will not constitute a debt of the Authority, the Board of Trustees of the University of Illinois, the University of Illinois System, UIC, the State of Illinois, or any other political subdivision thereof.

Security for the Bonds: Indenture: The Bonds will be issued under a Trust Indenture between the Authority and Wilmington Trust N.A., the Trustee for the Bonds.

Loan Agreement: The Authority will lend the proceeds (on a conduit basis) to CHF-Chicago, L.L.C. pursuant to a Loan Agreement between the Authority and CHF-Chicago, L.L.C.

- CHF-Chicago, L.L.C.'s obligations under the Loan Agreement will be non-recourse obligations secured by:
  - a Leasehold Mortgage and Assignment of Rents and Leases encumbering the Borrower's right, title, and interest in and to the Land and the Project;
  - a Security Agreement covering Revenues, equipment and inventory, among other matters; and
  - an Assignment of Contract Documents, pursuant to which the Borrower will assign the Development, Construction, and other project agreements and documents.

- As with all conduit bond transactions, the Authority will assign to the Trustee (for the benefit of Bondholders) all right, title, and interest under the Leasehold Mortgage, Assignment of Rents and Leases, Security Agreement, and Assignment of Contract Documents.

Rate Covenant: Pursuant to the Bond Documents, the Borrower will covenant to establish and maintain rates, fees and charges for the use of and for the services furnished by the Project (the "**Rate Covenant**"), sufficient, with other revenues, to:

1. pay operating and maintenance expenses and maintain and operate the Project on a sound, businesslike basis;
2. pay all debt service on the Bonds as it is due;
3. maintain the Debt Service Reserve Fund Requirement in the Debt Service Reserve Funds;
4. provide moneys sufficient to make the scheduled deposits into the Repair and Replacement Funds; and
5. to provide in each fiscal year of the Project, Revenues (net of operating expenses) equal to at least 1.20 times (1.20x) of the debt service requirement (i.e., the "Minimum Debt Service Coverage Ratio").

Consistent with the three most recent CHF bond issues at Illinois universities, in the event that the Borrower fails to meet the requirements of the Rate Covenant, it will be required under the terms of the Bond Documents to retain a Management Consultant to prepare a written report which shall make recommendations with respect to such fees, rates and charges of the Borrower and with respect to improvements to or changes in the operations or services rendered by the Borrower at the Project. *If the Borrower complies with the recommendations of the Management Consultant, failure to meet the Rate Covenant shall not be an Event of Default under the Bond Documents. (This provision is consistent with the prior CHF bond issues through IFA.)*

Budget Covenant: The Bond Documents will require the Borrower, in conjunction with **ACC SC Management LLC** (the "**Manager**" – also see p. 14 for additional information), to prepare, adopt and deliver to the Trustee, no later than the start of each fiscal year of the project, an Annual Budget for the Project, which shall include a monthly budget component. The revenues and expenses provided in the Annual Budget in each fiscal year of the project shall be in such amounts to permit the Borrower/Project to meet the Rate Covenant for such fiscal year. *The Borrower will also be required to retain a third-party Management Consultant if it is unable to meet the Rate Covenant in its budget process.*

Ground Lease – UIC/CHF-Chicago Business Terms: **Ground Lease Agreement** on the Project Site between **The Board of Trustees of the University of Illinois** (the "**Lessor**") and **CHF-Chicago, L.L.C.** (the "**Lessee**"):

1. The subject project will be financed on a privatized financing model through which the Board of Trustees of the University of Illinois (the "Board of Trustees") will lease the land on which the Project is located (the "Ground Lease") to the Borrower (CHF-Chicago, L.L.C.).
2. The Ground Lease will extend for a term (40 years) in excess of the maturity of the proposed debt financing (approximately 32 years) and require the Project to be constructed and operated in accordance with UIC-established standards.
3. Standard provisions will also include certain areas of support and cooperation among UIC and the Borrower, including considering the Project as part of UIC's housing stock and taking the Project into consideration in the planning of any future UIC housing projects.
4. CHF-Chicago, L.L.C. (Borrower) will own the improvements for the term of the financing.
5. **Sublease Agreement on the Project between CHF-Chicago (Sublessor) and the Board of Trustees of the University of Illinois (Sublessee):** CHF-Chicago, L.L.C. will sublease to the Board of Trustees of the University of Illinois (on behalf of UIC) the portion of the Project comprising the Academic Facilities and Retail Space (the

"Sublease"). The Sublease will be for a term of 40 years (i.e., co-terminous with the Ground Lease).

- Rent payable under the Sublease by UIC will be based on (i) the annual debt service payments attributable to the academic and retail facilities (as applicable), (ii) a share of certain common expenses such as insurance, capital maintenance and repair, and other operating expenses,
    - It is contemplated that UIC will fund such Sublease payments from a combination of (i) mandatory student fees, (ii) UIC (institutional) funds, and (iii) auxiliary revenues (e.g., rent on the retail space).
    - The Sublease and Ground Lease will each have maximum 40 year terms. Additionally, upon termination of the Ground Lease for any reason, the Sublease will be subject to concurrent termination.
    - Pursuant to the Sublease Agreement, UIC, as the principal user and operator of the Academic and Retail Space pursuant to the Sublease, will manage those facilities pursuant to the Sublease between CHF-Chicago, L.L.C. and The Board of Trustees of the University of Illinois.
- NOTE on UIC Equity Contribution – currently estimated at approximately $8.6MM: UIC is evaluating the size of its upfront contribution to the Project and intends to fully fund the allocated development cost of the retail space with equity while also providing financing for a portion of the cost of the Academic Space.
- Ground Lease Rent payable to the Board of Trustees of the University of Illinois by CHF-Chicago, L.L.C. will equal 100% of surplus cash flow (i.e., net revenues after payment of all debt service, operating reserves, repair and replacement reserves, etc.).
- *Consistent with prior CHF financings undertaken on behalf of State universities, pursuant to the Ground Lease, ownership of the Project will be transferred to the Board of Trustees of the University of Illinois at the earlier date of expiration of the Ground Lease or upon repayment of the Bonds.*

GMP Contract: It is expected that the Borrower and **Pepper/Brown Construction, LLC** (the "**General Contractor**" – also see p. 13) will enter into a *Guaranteed Maximum Price* ("*GMP*") Contract for the construction of the Project and will be required to provide Builder's Risk Insurance covering the full replacement cost of the facilities and full payment and performance bonds. Although the Developer and General Contractor are still negotiating the terms of the Development Agreement and Construction Contract, in the event of an unforeseen delay in the construction schedule, liquidated damages are anticipated and the **Developer (ACC SC Development LLC)** intends to provide an alternate housing guaranty covering students with signed leases. Business interruption insurance covering a minimum of 12 months of operations will also be provided.

Credit Rating for Project: The Borrower and RBC Capital Markets LLC will be applying to both **Moody's Investors Service** ("**Moody's**") and **S&P Global Ratings** ("**S&P**") for a direct rating on the Project/Borrower. Based on the underlying structure, credit characteristics, and debt service coverage to be presented in the financial model (to be presented in the Official Statement). RBC anticipates investment grade ratings (e.g., 'Baa3'/'BBB-' or better) from Moody's/S&P.

- Under this "direct rating" structure, security for the Bonds will include Revenues collected by the University on behalf of the Borrower and deposited with the Trustee and funds and accounts held under the Trust Indenture including (1) Construction Fund and Debt Service Fund/Capitalized Interest Account during the construction phase and (2) a Debt Service Reserve Fund and Repair and Replacement Fund during the operating phase.

- The Debt Service Reserve Fund will be fully funded at closing in an amount equal to maximum annual debt service on the Bonds.

- Additionally, the Repair and Replacement Fund will be capitalized pursuant to requirements specified in the Bond Documents and reported to both Moody's and S&P Global Ratings in the application for debt rating on the Project.

Limited Obligations: The Bonds will be limited obligations of CHF-Chicago L.L.C., the Illinois Finance Authority, the State of Illinois, UIC, and the Board of Trustees of the University of Illinois. <u>The Bonds will be payable only from revenues of the Project and secured by (i) a Leasehold Mortgage on the land and improvements, (ii) a collateral assignment of Rents and Leases, and (iii) a Security Agreement.</u>

- Pursuant to terms of the Ground Lease, CHF-Chicago, L.L.C. will be subject to a *Rate Covenant* to revise rates, fees, and charges as necessary so that Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement for the Student Housing Facility (i.e., and provide for minimum 1.20x Fixed Charge Coverage).

- Additionally, rents under the *Sublease Agreement* to the Board will provide for sufficient revenues to cover: (i) the pro rata debt service allocation for the Academic Facilities and Retail Facilities ("*Base Rent*") and (ii) repair and replacement expenses on the subleased portion of the Project ("*Additional Rent*").

Bonds will be Non-Recourse to the University of Illinois System, IFA, and the State of Illinois: <u>*The Bonds will not constitute a debt of the Board of Trustees of the University of Illinois, UIC, IFA, the State of Illinois, or any other political subdivision of the State and payment of the Bonds (and any interest thereon) will not be supported by the taxing powers, full faith and credit, or a moral obligation of the State of Illinois or any political subdivision.*</u>

Underlying University System Rating *(Informational Only on this Project Financing)*: *Again, the proposed CHF-Chicago, L.L.C. Bonds will be rated strictly as a project financing and <u>will not</u> constitute a debt of the Board of Trustees of the University of Illinois. Accordingly, this disclosure of the University's underlying credit rating is informational.* The Board of Trustees of the University of Illinois) underlying long-term debt ratings are 'A1' from Moody's and 'A-' from S&P Global Ratings (the current ratings were assigned by both rating agencies in June 2017).

Capitalized Interest for Construction Period, plus 6 months Interest will be fully capitalized through February 1, 2020 (i.e., six months subsequent to the anticipated August 1, 2019 delivery date of the Project).

Maturity: Approximately 32 years (not-to-exceed) – anticipated July 1, 2050.

Payment Dates: Interest will be payable semi-annually on each February 15th and August 15th, commencing August 15, 2018. Principal and Sinking Fund Installments will be payable annually on each August 15th, beginning August 15, 2021 (preliminary; subject to change).

Anticipated Closing Date: December 2017

University Procurement & Project Rationale: In support of its master plan, UIC solicited proposals in late 2016 for the development of a new, integrated student housing and academic facility to be located on its campus. Pursuant to Section 53-25 of the Illinois Procurement Code (the "*Procurement Code*"), institutions of higher education are authorized to enter into concessions with ground leases. Accordingly, the University selected **ACC SC Development LLC**, an indirect wholly-owned subsidiary of **American Campus Communities** ("**ACC**" or the "**Developer**" – see p. 12 for additional information) to implement the design, development, financing, construction, equipping, and operation of the integrated student housing and academic facility.

The Project will be located at the NE corner of Harrison Street and Morgan Street on UIC's campus and will be contain (i) approximately 550 beds of student housing, (ii) an approximately 51,000 SF academic building, and (iii) approximately 1,700 SF of retail space, as described below:

- **Student Housing Portion of the Project**: The residential component of the Project will be within a 10-story tower comprising approximately 83,000 net rentable square feet, providing approximately 550 beds of housing in a mix of traditional residence hall style units and semi-suite style units. Amenities will include study lounges, social lounges, residence life offices, a fitness center, and laundry facilities. The traditional residence hall style units will share a modern, community bathroom while the semi-suites will provide in-unit bathrooms. A mix of single occupancy (58 beds) and double occupancy units (490 beds) will be provided. All units will be fully furnished and have connections for high-speed internet access, wi-fi, and cable television.

- **Academic Portion of the Project**: The 51,000 SF academic portion of the building will be contained in a two-story wing of the building. The building will contain 3 large lecture halls, four classrooms, several small group study rooms, a tutoring center, computer stations, and several collaboration spaces.

- **Retail Portion of the Project**: The Project will also include approximately 1,700 SF of retail space, which is anticipated to be used as a café.

Development/ Construction Timetable: Construction is expected to commence in January 2018 with completion scheduled in July 2019.

BUSINESS SUMMARY

Background: **CHF-Chicago, L.L.C.** (the "**LLC**" or the "**Borrower**") is an Alabama Limited Liability Company formed in August 2017 for the sole purpose of owning and developing the subject student housing facility at the **University of Illinois at Chicago** ("**UIC**" or the "**University**"). The Borrower is not expected to own any assets other than the Project.

The sole Member of the Borrower is the **Collegiate Housing Foundation** (the "**Foundation**"), an Alabama not-for-profit corporation established in 1996. The Foundation received its 501(c)(3) Determination Letter from the IRS in 1997.

The Foundation is governed by a 6-member Board of Trustees (see Economic Disclosure Statement section on p. 15 for further information).

Background on UIC and the U of I System:

UIC - Governance. The University of Illinois at Chicago is part of the University of Illinois System (the "**System**") which includes three universities located in Urbana-Champaign, Chicago, and Springfield and the UI Health System in the Chicago metropolitan area. The System and its universities have regional campuses, research facilities, clinics, and extension offices located through the state.

The governing body of the System is the **Board of Trustees of the University of Illinois**, a state body politic and corporate, which is composed of ten members appointed by the Governor of Illinois, as well as three student members, with one representing each of the three stand-alone university campuses. See p. 15 for the current list of the Board of Trustees for the System.

UIC - History. UIC traces its roots to several private health colleges founded in Chicago during the 19th Century, including the Chicago College of Pharmacy, which was founded in 1859. Ultimately, operations expanded as several other health science colleges were created. Together with the Colleges of Medicine, Dentistry, and Pharmacy, they formed the Chicago Professional Colleges of the University of Illinois. In 1961, the professional colleges became the University of Illinois at the Medical Center.

UIC's roots as a traditional undergraduate (and later graduate) institution began after World War II, as the University of Illinois increased its presence in Chicago by creating a temporary, two-year branch campus on Navy Pier in order to serve the wave of returning veterans seeking education benefits under the G.I. Bill. Following the wave of returning WWII veterans, demand for a comprehensive public university in Chicago remained high. As a result, the University made plans to create a permanent degree-granting campus in the Chicago area and the University of Illinois at Chicago Circle was constructed – opening in February 1965.

Within five years of opening, enrollment at UI-Chicago Circle had grown from 5,000 to 18,000, with most departments offering graduate degrees.

In 1982 UI-Chicago Circle and the Medical Campuses combined to form a comprehensive university campus known as the **University of Illinois at Chicago** ("**UIC"**) with six health science colleges and an academic medical center. Consolidation helped UIC attain elite Carnegie ("Research I") status and UIC is ranked among the top 60 research universities in the country.

UIC - Academics and Enrollment. The University offers 15 academic colleges, 83 bachelor's degree, 93 master's degree, and 64 doctoral degree programs. With over 2,800 faculty members and an 18:1 student-to-faculty ratio, UIC is the largest University in the Chicago area. Additionally, UIC reports the campus boasts one of the top five most diverse student bodies in the nation.

On September 13, 2017, UIC announced record-setting enrollment for the Fall 2017 semester, continuing a three-year trend of enrollment increases. According to a UIC press release, the Fall 2017 enrollment surge has been attributable to significant increases in new freshman (23%) and transfer students (12%), resulting in an 8.3% increase in total undergraduate enrollment (to 19,448 students in Fall 2017, an increase of 1,489 from Fall 2016 (17,959)). *UIC's Fall 2017 freshman enrollment surpassed 4,000 for the first time in its history.*

Total Fall 2017 enrollment (including graduate and professional students) increased to 30,539, up nearly 5% from 29,120 for Fall 2017. *The Fall 2017 semester is the first time UIC's enrollment has surpassed 30,000 students in its history (with 19,448 undergraduate students (63.7%) and 11,091 (36.3%) graduate/professional students).*

Thus, UIC's Fall 2017 enrollment trends have been in contrast to enrollment declines posted at most other state universities.

The following table reports a five-year history of enrollment trends at UIC:

Total UIC Student Headcount and FTE Enrollment by Level – Fall 2013-Fall 2017:

	Undergraduate		Graduate/Professional		Total	
Fall Semester	Headcount	FTE	Headcount	FTE	Headcount	FTE
2013	16,671	15,825	11,367	9,014	28,038	24,839
2014	16,718	15,883	11,251	8,954	27,969	24,837
2015	17,575	16,642	11,473	9,235	29,048	25,877
2016	17,959	16,998	11,161	9,051	29,120	26,049
2017	19,448	18,457	11,091	9,008	30,539	27,464

UIC - Tuition. UIC's undergraduate tuition and fees for the Fall 2017 academic year for Illinois residents is $13,762 and for non-resident students is $26,618. For graduate students, the tuition and fees for the Fall 2017 academic year for Illinois residents is $14,658 and for non-resident students is $26,898.

UIC - Student Life. UIC offers 482 clubs and organizations from intramural sports to community service. UIC also has seven men's and nine women's Division I collegiate sports teams who compete in the Horizon League.

UIC's On-Campus Housing. UIC Campus Housing, a division of Student Affairs, provides on-campus residential options for approximately 3,350 students offering a variety of room/apartment configurations and pricing points. Despite not having a residency requirement, UIC captures approximately 40% of first-time, full-time students in on-campus housing. Housing pricing reflects a wide range of options from traditional residence halls with community bathrooms to apartment options for upper division and graduate students. Academic year 2017-18 housing rates range from $7,163 for a triple-occupancy unit to $12,929 for a single-occupancy studio apartment.

Campus Housing Facility Master Plan:

In August 2014, **Brailsford & Dunlavey** was hired by UIC to perform a Campus Housing Facility Master Plan with the objectives of (i) evaluating the current housing stock; (ii) understanding student demand; and (iii) developing recommendations for improvement. As a result of the 2014 master plan, UIC is implementing recommendations to construct new housing while upgrading or replacing less desirable or outdated facilities under a long-term plan. In connection with development of the subject Project, a Market Study is in process by **Alvarez & Marshal**, the results of which will be included in the Preliminary Official Statement (with results summarized in an update of this report to be presented in connection with the Final Bond Resolution).

Background on University/ System Procurement:

As a result of its procurement process (which enable concession agreements with ground leases – as consistent with prior privatized facility financings at other public universities in Illinois), UIC has chosen to engage leading student housing developer **American Campus Communities** ("**ACC**" through its **ACC SC Development LLC** affiliate, the "**Developer**") to develop the subject student housing facility and academic building (with retail space). **CHF–Chicago, L.L.C.** (a limited liability company of which Collegiate Housing Foundation is the sole member) in coordination with the University, and under agreements with the Developer, proposes to finance the design, development, construction and equipment of a 550-bed apartment-style student housing community to benefit students attending the University and to develop approximately 51,000 SF of academic space and 1,700 SF of ground floor retail space at the subject building (the "**Project**").

Description of the Controlling Project Owner of CHF-Chicago, L.L.C. (i.e., Manager or Managing Member): The **Collegiate Housing Foundation's** ("**CHF's**") mission is to assist college and universities by financing, owning, and operating student housing facilities on or near their campuses.

Since its founding, the Foundation and its special purpose project affiliates own 53 student housing projects in 24 states, for 39 different institutions, with aggregate Project development costs exceeding $1.9 billion.

The Collegiate Housing Foundation develops and finances each project as a stand-alone project-based financing. CHF forms a special purpose entity (e.g., CHF-Chicago, L.L.C.) to serve as the Borrower and Owner of the subject student housing facilities to be developed. The sponsoring college/university benefits since the project can potentially be financed on a revenue basis by prospective users.

As proposed, **CHF-Chicago, L.L.C.** will lease the ground for the underlying project from the Board of Trustees of the University of Illinois. The Facility will be financed with proceeds of a tax-exempt bond issue and will be mortgaged as security for the Bondholders (i.e., a leasehold mortgage). Upon completion, an affiliate of **American Campus Communities, Inc.** (i.e., **ACC SC Management LLC – see p. 14**) will manage day-to-day operations of the student housing portion of the Project. The University will sublease the (i) academic and (ii) retail components of the Project from CHF-Chicago, L.L.C. UIC will be responsible for managing the subleased portions of the Project.

<u>At such a time as the proposed Bonds are paid in full, the mortgage and ground lease will be cancelled and the Foundation's interest in the facility will be conveyed (i.e., donated) to the Board of Trustees of the University of Illinois on behalf of the University of Illinois at Chicago.</u>

Prior Bond Issues Involving CHF Affiliates, State Universities, and IFA: IFA has undertaken four previous financings with the Foundation (and the special purpose affiliates created to be the initial owner of each Project), including:

(1) In 2006, IFA issued **$16.0MM** of 501(c)(3) Revenue Bonds for **CHF-DeKalb, L.L.C.,** a special purpose entity that was formed by the Foundation to develop, construct, and finance a **120-unit** replacement student apartment facility ("Northern View Apartments") at **Northern Illinois University** ("**NIU**") in DeKalb. (The IFA Series 2006 Bonds were paid in full upon issuance of the $132.2MM Series 2011 Bonds – as described below).
(2) In 2011, IFA issued **$132.2MM** of Series 2011 Bonds for the **CHF-DeKalb II, L.L.C.** Project at NIU, which financed (a) construction of a new, **1008-bed** student housing facility (targeted to freshmen) and (b) the current refunding of the outstanding balance of the IFA Series 2006 Bonds.
(3) In 2011, IFA issued **$59.6MM** of Series 2011 Bonds for the **CHF-Normal, L.L.C.** Project at **Illinois State University** ("**ISU**") in Normal, which financed construction of **896-beds** of replacement student housing facilities to replace outdated ISU-owned facilities at its Normal campus.
(4) In 2015, IFA issued **$39.6MM** in of Series 2015 Bonds for the **CHF-Cook, L.L.C.** Project at **Northeastern Illinois University** ("**NEIU**"), which financed construction a new 440-bed student housing facility, which was the first on-campus housing facility at NEIU.

Repayment History and Bond Ratings on the 3 Outstanding CHF-Chicago, L.L.C. Bonds. All payments relating to all IFA Bonds issued in connection with all 3 outstanding bond issues (for the 4 CHF-owned student housing facilities at NIU, ISU, and NEIU) have been current and paid as scheduled.

The current debt ratings (and the original ratings at the time of issuance) on the three outstanding IFA Bonds issued in connection with the CHF-owned projects at NIU, ISU, and NEIU are reported below:

- The IFA Series 2011 Bonds (CHF-DeKalb II, L.L.C. Project at NIU) are currently rated 'Ba3'/ 'BB-' (Moody's/S&P).
    - The original 2011 ratings were 'Baa3' / 'BBB' (Moody's/S&P).
- The CHF-Normal, L.L.C. (ISU Project in 2011) Bonds are currently rated 'Baa3'/ 'BBB' (Moody's/S&P).
    - The original 2011 ratings were 'Baa3'/ 'BBB-' (Moody's/S&P).
- The CHF-Cook, L.L.C. (NEIU Project in 2015) Bonds are currently rated 'B-' by S&P.
    - The original 2015 rating was 'BBB-' (S&P).

Description of the Developer:

American Campus Communities, Inc. ("**ACC**" or the "**Company**") was founded in 1993, is based in Austin, TX, and is the largest owner, manager and developer of student housing communities in the United States. The company has been a fully integrated, self-managed and self-administered equity real estate investment trust ("**REIT**") since 2004 with expertise in the design, finance, development, construction management and operational management of student housing properties (**NYSE Ticker**: "**ACC**"). As of June 30, 2017, American Campus Communities owned 160 student housing properties containing approximately 99,000 beds. Including its owned and third-party managed properties, ACC's total managed portfolio consisted of 197 properties with approximately 128,700 beds.

ACC focuses on developing and owning student housing as its sole, core business. **ACC SC Development LLC** (the "**Developer**") a Delaware Limited Liability company, is an indirect wholly owned subsidiary that is responsible for all third-party development projects undertaken by ACC. (*Informational only* – ACC is not guaranteeing payment of the subject IFA Series 2017 Bonds in any manner – this is merely indicative of ACC's balance sheet strength: ACC's long-term debt was most recently assigned 'Baa2' – Stable outlook / 'BBB' – Stable outlook ratings by Moody's/S&P as of 5/31/2016 and 2/8/2016, respectively.)

Since 1996, ACC SC Development LLC and affiliates have developed or been awarded the development of 127 privatized student housing facilities, consisting of more than 83,200 beds. Based on the requirements and bid specifications set forth by each institution, ACC has designed and programmed a full range of contemporary student communities including modern-day residence halls (traditional and full-service), various styles of apartments, as, well as higher density mid- and high-rise communities.

Each student housing development project that the Company develops has a dedicated ACC construction manager assigned to it responsible for scheduling periodic on-site visits with the University and general contractor. *According to ACC's management, ACC has never missed a Fall occupancy target completion date or exceeded an approved development budget on any student housing project it has developed.*

In 2013, *Forbes* magazine named American Campus Communities, Inc. one of the magazine's "Most Trustworthy Companies" in 2013.

Please see ACC's website (www.americancampus.com) for more additional information.

The University System's RFP And Selection of the Development Team:

<u>**Procurement and Ground Lease Agreements Associated with the Prior CHF Financings at Illinois Public Universities**</u>**.** As with the subject project under development involving UIC, Northern Illinois University, Illinois State University, and Northeastern Illinois University, each engaged American Campus Communities/ACC SC Development LLC (and, as a result, CHF) via a Request-for-Proposal procurement process as a "concession" to develop, finance, and construct these privatized student housing projects (*see "Description of the Developer" below*). The proposed UIC project, the 2006 and 2011 NIU projects, the 2011 ISU, and the 2015 NEIU project were all constructed on sites owned by the respective universities that were ground leased to a special purpose affiliate of CHF.

<u>As the "Developer" selected by each university, ACC SC Development LLC has also been responsible for organizing the development team, including the Architect, General Contractor, and CHF (as Ground Lessee and Initial Project Owner to provide access to 501(c)(3) bond financing),</u>

Pursuant to the Pre-Development Agreement, ACC SC Development engaged the following participants as part of the development and financing team:

General Contractor and Architect. In addition to engaging CHF a member of the development team, ACC has engaged **Pepper/Brown Construction, LLC** to serve as the General Contractor and **Solomon Cordwell Buenz** as the Architect.

About Pepper/Brown Construction, LLC: Pepper/Brown Construction, LLC is a joint venture between Chicago-based **Pepper Construction** and Chicago-based **Brown & Momen, Inc.**, and have extensive prior experience as joint venture partners on construction projects involving Advocate Christ Medical Center, Hartgrove Hospital, and it Biomedical Research Complex. Additionally, the two companies are working together on the Columbia College Chicago Student Center and the Pullman Artspace in Chicago. Brown & Momen, Inc. is certified by the City of Chicago as a minority-owned general contracting firm.

About Pepper Construction: Notably, ACC previously engaged Pepper Construction in connection with the 1,008-bed student housing facility at Northern Illinois University (financed with IFA Series 2011 Bonds with CHF-DeKalb II, L.L.C. as the Borrower). ACC previously engaged Solomon Cordwell Buenz to serve as the Architect on the 896-bed student housing facility at Illinois State University (financed with IFA Series 2011 Bonds on behalf of CHF-Normal, L.L.C.), and the 440-bed student housing facility at Northeastern Illinois University (financed with IFA Series 2015 Bonds with CHF-Cook, L.L.C. as the Borrower).

Overall, Pepper Construction has been involved in financing numerous higher education projects for Purdue University, Northwestern University, University of Notre Dame, Indiana University, The Ohio State University, Dominican University, Illinois State University, and Monmouth College.

About Solomon Cordwell Buenz**:** Solomon Cordwell Buenz has served as architect on ten on-campus development projects with ACC totaling approximately 9,000 beds at universities including: Illinois State University, Northeastern Illinois University, Drexel University, Arizona State University, Butler University, University of California-Berkeley, Texas A&M University-San Antonio, and the University of Toledo. Additionally, SCB has designed on-campus academic buildings at major universities nationally.

ACC affiliate will serve as Property Manager:	**ACC SC Management LLC**, also an affiliate of American Campus Communities, Inc., will actively manage day-to-day operations at the property and will work with the University to provide residential life services to residents. From 2005-2016, ACC SC Management LLC's same-store portfolio (i.e., on managed properties open more than one academic year) has been 97.7%. UIC, as sublessee of the Academic and Retail Space, will manage those facilities pursuant to the Sublease between CHF-Chicago, L.L.C. and The Board of Trustees of the University of Illinois.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bonds will be issued in one or more series and proceeds will be used by **CHF-Chicago, L.L.C.** ("**CHF**" or the "**Borrower**"), an Alabama single member limited liability company, to (i) finance the cost of the acquisition, construction, furnishing, and equipping of an approximately 550-bed student housing facility to be located on the campus of the University of Illinois at Chicago ("**UIC**") and located on UIC-owned property bounded by Peoria Street (east), Morgan Street (west), I-290 (north), and Harrison Street (south); (ii) finance a portion of the cost of the acquisition, construction, furnishing and equipping an approximate 51,000 SF academic facility (the "**Academic Facility**") and 1,700 SF retail facility (the "**Retail Facility**") and together with the Student Housing Facility and the Academic Facility, the "**Project**"), (iii) fund interest on the Bonds for a period requested by the Borrower, (iv) fund a debt service reserve fund for the benefit of the Bonds, if requested by the Borrower, (v) finance certain start-up costs and related working capital of the Project, and (vi) pay costs of issuance on the Bonds, all as permitted by the Illinois Finance Authority Act (and collectively, the "**Financing Purposes**").

The Student Housing Facilities (a) will be operated by **ACC SC Management LLC**, a Delaware limited liability company, and (b) is located on land owned by the **Board of Trustees of the University of Illinois** (the "**System**") and to be ground leased to the Borrower. The Academic Facilities and Retail Facilities will, in turn, subleased to UIC and these subleased facilities will also be managed by UIC. The Project will be located near the NE corner of Morgan Street and Harrison Street on the University of Illinois at Chicago campus.

The Project will be owned by CHF-Chicago, L.L.C., a single member limited liability affiliate of Collegiate Housing Foundation (the "**Foundation**"), a 501(c)(3) corporation based in Fairhope, AL. The Foundation is engaged in owning 501(c)(3)-owned student housing projects in support of colleges and universities nationally. The Project will be developed and constructed by **ACC SC Development LLC,** an affiliate **American Campus Communities, Inc.** of Dallas, TX (as "**Developer**"). Day-to-day operations will be managed by **ACC SC Management LLC**, also an affiliate of American Campus Communities, Inc. ("**ACC SC Management**" or the "**Property Manager**") on behalf of UIC.

Estimated project costs are as follows (preliminary, subject to change):

Construction Costs	$89,764,394
Furniture Fixtures & Equipment	6,993,540
Title/Closing Costs/Initial Operations	269,970
Project-Related Soft Costs (Acctg., Legal, Ins., Feas. St.)	1,299,487
Total New Money Project Costs	**$98,427,391**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	CHF-Chicago, L.L.C. (c/o Mr. Leeman Covey, Collegiate Housing Foundation, 411 Johnson Ave., Suite B, P.O. Box 1385, Fairhope, AL 36533-1385; Ph.: 251-928-9340) e-mail: lcovey@collegiatehousing.org
Website:	www.collegiatehousing.org
Project Name:	CHF-Chicago, L.L.C. Project at University of Illinois at Chicago; Tax-Exempt Series 2017A and Taxable Series 2017B
Project Location:	The University of Illinois at Chicago – see site map on *p. 17* for location; (Main campus address: 1200 W. Harrison St., Chicago, IL 60607)

Organization: Alabama Limited Liability Company (August 2017)
Member: Collegiate Housing Foundation, Fairhope, AL: 100% owner (and sole member) of CHF-Chicago, L.L.C.

- Board of Trustees (6 members):
    - Mr. Leeman H. Covey, President and Chairman of the Board (former VP of Finance, Springhill College, Mobile, AL from 1990-1997; Direct of Fiscal Affairs, City of Mobile, AL 1977-1990)
    - Mr. John B. Hicks, Vice President (former Secretary of the Board of Trustees of the University of Alabama System)
    - Dr. John Brooks Slaughter, Treasurer
    - The Honorable Jack Edwards, Secretary (Member, U.S. House of Representatives, 1965-1985)
    - Mr. Thomas M. Daly, Director
    - Mr. Robert A. Shearer, Director

Current Property Owner: The Board of Trustees of the University of Illinois is the current owner of the project site. The subject property be ground leased by the Borrower from the Board.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ("SYSTEM")

EX OFFICIO MEMBER
The Governor of Illinois
Honorable Bruce Rauner
Springfield, IL

MEMBERS
Ramón Cepeda, Darien, IL
Ricardo Estrada, Chicago, IL
Patrick J. Fitzgerald, Chicago, IL
Karen Hasara, Springfield, IL
Patricia Brown Holmes, Chicago, IL
Timothy N. Koritz, Roscoe, IL
Edward L. McMillan, Greenville, IL
James D. Montgomery, Sr., Chicago, IL
Jill B. Smart, Downers Grove, IL

STUDENT TRUSTEES
Jaylin D. McClinton, University of Illinois at Urbana – Champaign
Jauwan Hall, University of Illinois at Chicago
Dominique Wilson, University of Illinois at Springfield

Project Developer: **ACC SC Development LLC** is a Delaware limited liability company that is an indirect wholly owned subsidiary of American Campus Communities, Inc. (a publicly traded company: the NYSE Ticker Symbol is "ACC"). See ACC ownership below.

Project Management: **ACC SC Management LLC** is a Delaware limited liability company that is an indirect wholly owned subsidiary of American Campus Communities, Inc. (a publicly traded company: the NYSE Ticker Symbol is "ACC"). See ACC ownership below.

ACC Ownership: Shareholders of 5.0% or more (SEC ownership threshold) pursuant to SEC disclosure as of 6/29/2017 included: (1) **The Vanguard Group, Inc.,** 100 Vanguard Blvd., Malvern, PA 19355 is an institutional holder, on behalf of several mutual funds (with a posted 15.28% ownership interest as of 6/29/2017), (2) **BlackRock Inc.**, 55 East 52nd Street, New York, NY 10055**,** as an institutional holder (11.59% ownership interest as of 6/29/2017) and (3) **Cohen & Steers Inc.**, 280 Park Ave., New York, NY 10017, which is an institutional holder (9.80% ownership interest as of 6/29/2017).

PROFESSIONAL & FINANCIAL

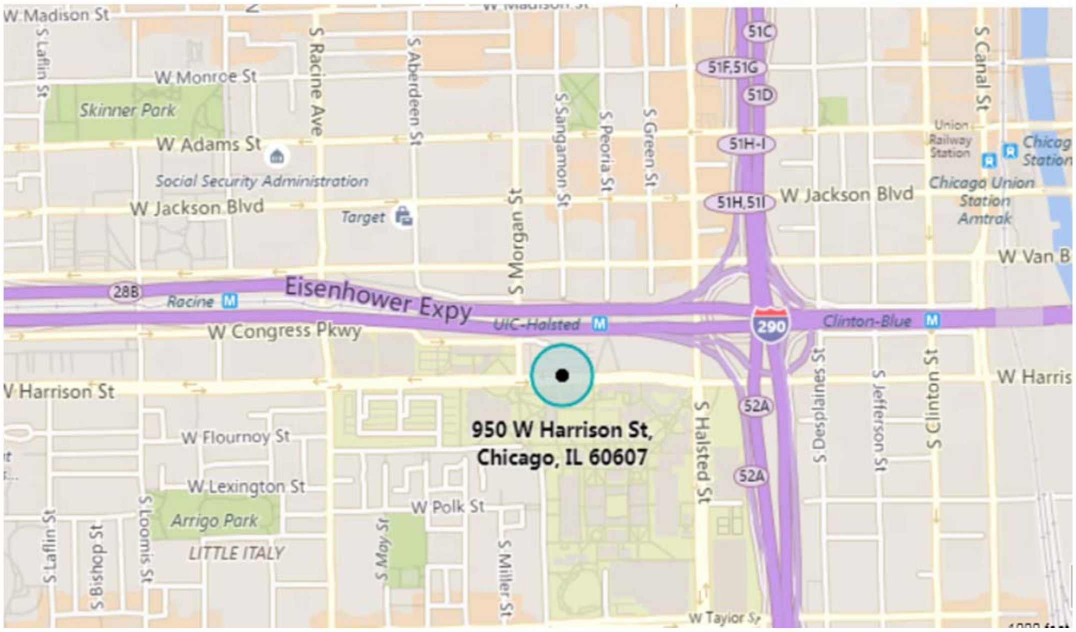
Borrower:	CHF-Cook, L.L.C.,		
	c/o Collegiate Housing Foundation	Fairhope, AL	Lee Covey
			Will Givhan
Borrower's Counsel:	Hand Arendall, LLC	Mobile, AL	Ginger Gaddy
	Foley & Lardner, LLP	Chicago, IL	Heidi Jeffrey
The University:	University of Illinois at Chicago	Chicago, IL	Rex Tolliver
			Janet Parker
			Daniel Williams
			Susan Teggatz
			John Alsterda
The University System/Ground Lessor:	University of Illinois System/	Urbana, IL	Bruce Walden
	The Board of Trustees of The	Urbana, IL	Bob Plankenhorn
	University of Illinois		Sarah Crane
University's Outside Counsel:	Taft Stettinius & Hollister LLP	Chicago, IL	Howard Zweig
			James Shanahan
Project Auditor (Tentative):	Wilkins Miller	Fairhope, AL	
Developer:	ACC SC Development LLC		
	(c/o American Campus Communities, Inc.)	Austin, TX	Jennifer Jones
			Casey Rydin
Developer's Counsel:	Morgan, Lewis & Bockius, LLP	Philadelphia, PA	Eric Stern
Student Housing – Property Manager:	ACC SC Management LLC		
	(c/o American Campus Communities, Inc.)	Austin, TX	
Senior Manager:	RBC Capital Markets, LLC	Baltimore, MD	Michael Baird,
			Sara Russell
Co-Manager:	Loop Capital Markets LLC	Chicago, IL	Al Dinwiddie
Underwriter's Counsel:	Ballard Spahr LLP	Baltimore, MD	Teri Guarnaccia
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Andrea G. Bacon,
			Todd Freier
Bond Trustee:	Wilmington Trust N.A.	Birmingham, AL	Kara Partin
Bond Trustee's Counsel:	J. Marland Hayes, LLC	Northport, AL	Marland Hayes
Rating Agencies:	Moody's Investors Service	New York, NY	
	S&P Global Ratings	Dallas, TX	
Bond Insurance:	Note: Soliciting proposals as of the date of this report (Prospective Bidders include: Assured Guaranty and Build America Mutual); *net cost-benefit will determine feasibility*		
Architect:	Solomon, Cordwell, Buenz & Associates, Inc.	Chicago, IL	Jim Curtin
General Contractor:	Pepper/Brown Construction Company LLC	Chicago, IL	Jim Nissen
Market Study:	Alvarez & Marshal	Chicago, IL	
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome,
			Sarah Boeckman
IFA Financial Advisor:	Sycamore Advisors LLC	Indianapolis, IN	Diana Hamilton,
			Courtney Tobin
		Chicago, IL	Olyvia Jarmoszka

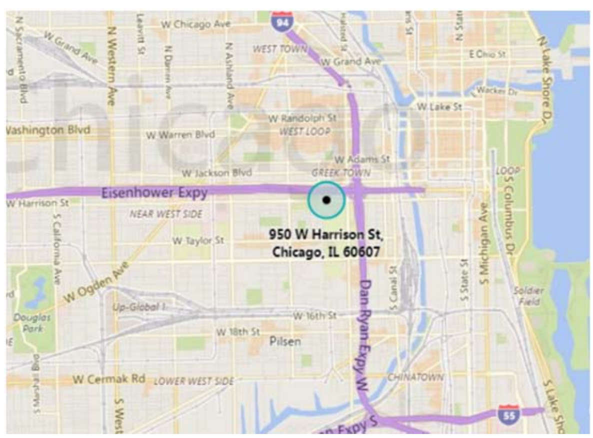
LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	5
State House:	9

SITE MAPS

The Project (approximate street address would be 950 W. Harrison St., Chicago, IL) will be located on property owned by the University and bounded by I-290 (north), Harrison Street (south), Peoria Street pedestrian walkway (east), and Morgan Street (west).





Source: Bing Maps

CONDUIT

IFA ILLINOIS FINANCE AUTHORITY

November 9, 2017

$65,000,000 (not-to-exceed amount)
2017 IAVF Windy City Fox Run LLC; 2017 IAVF Windy City Parkside LLC; 2017 IAVF Windy City Shaddle LLC; and 2017 IAVF Windy City Villabrook LLC (Windy City Portfolio Project)

REQUEST	**Purpose**: Bond proceeds will be used by special purpose affiliates of the **Better Housing Foundation**, an Ohio nonprofit corporation (and 501(c)(3) corporation) ("**BHF**" or the "**Sole Member**"), as the sole member of (a) **2017 IAVF Windy City Fox Run LLC, (b) 2017 Windy City Parkside LLC, (c) 2017 IAVF Windy City Shaddle LLC, and (d) 2017 IAVF Windy City Villabrook LLC**, each a Florida limited liability company (individually a "**Borrower**" and collectively, the "**Borrowers**"), to: (i) pay a portion of the costs of acquisition, rehabilitation, and equipping of 4 multifamily affordable residential rental properties with approximately 528 residential housing units (at the addresses identified on pp, 6-7 of this report and collectively, the "**Projects**"), (ii) fund one or more debt service reserve funds for the benefit of the Series 2017 Bonds, and (iii) pay a portion of the costs of issuance relating to the Series 2017 Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Volume Cap Not Required:** This financing will not require Volume Cap due to the 501(c)(3) ownership status of the Sole Member of the limited liability company that will be purchasing the subject 4-property portfolio. The Bonds will be issued to also satisfy the <u>low- and moderate-income tenant income requirements</u> specified under Section 142(d) of the Internal Revenue Code of 1986, as amended. Additionally, each of the 4 properties will be subject to Land Use Restriction Agreements and a Tax Regulatory Agreement that will require that the properties comply with applicable tenant income restrictions and limit rental rates until the later of (i) a minimum of 15 years following the date of closing or (ii) until the IFA Series 2017 Bonds are paid in full. Additionally, (a) a minimum of 75% of the units must be allocated for lease to income qualified low- and moderate income individuals and families earning less than 80% of the area median gross income (adjusted for family size) and (b) a minimum of 40% of the units must be allocated for lease to income qualified individuals and households earning less than 60% of the median gross income. **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (One-time consideration)
MATERIAL CHANGES	None. This is the first time this Project has been considered by the IFA Board of Directors.
JOB DATA (ILLINOIS)	9 Current jobs; 1-2 New jobs projected N/A Retained jobs; 4-5 Construction jobs projected
DESCRIPTION	● Project Locations: 4-property multifamily housing portfolio located in Addison (DuPage County), Glen Ellyn (DuPage County), Mundelein (Lake County), and St. Charles (Kane County) (Please see pp. 6-7 for the addresses of the 4 Project sites.) ● Type of entity: Each Borrower is a Florida limited liability company and is a single purpose legal entity formed to acquire, rehab, equip and own the subject 4-property, 528-residential unit multifamily portfolio, on behalf of their sole Member (i.e., the Better Housing Foundation). ● The Better Housing Foundation, Inc., a nonprofit organization incorporated under Ohio law and established in 2015, will engage (through its legal affiliates) **The Lynd Company** of San Antonio, Texas ("**Lynd**" or the "**Property Manager**") to manage the subject 4-property, 528-unit residential unit affordable multifamily rental portfolio following the acquisition. Lynd is a national property management company foundation and its affiliates manage 212 properties with 35,000 rental apartment units nationally (which include several affordable properties) located in 16 states. The subject properties will be the first four properties managed by Lynd in Illinois. ● A corporate affiliate of The Lynd Company (**Lynd Opportunity Partners, LLC**) is serving as the **Acquisition Consultant** (the "**Consultant**") pursuant to an Acquisition Services Agreement with BHF. Pursuant to this Agreement, the Consultant will provide advisory services (including upfront financing) related to the acquisition, design, planning, financing, rehabilitation of the Projects. The Consultant will be paid a one-time fee upon issuance of the Series 2017 Bonds in consideration for cost reimbursement. ● Overall, this will be the third portfolio of affordable rental housing projects acquired by the Better Housing Foundation (or its affiliates) in Illinois and will be the third financed by the Authority since July 2016. All three issues maintain (or have been assigned) investment grade ratings by S&P Global Ratings. ● Additionally, the Better Housing Foundation will engage the **Invest in America's Veterans Foundation** ("**IAVF**") as the **Social Services Provider.** BHF intends to work with IAVF to (i) rent a small number of units in each of the four properties to veterans and (ii) provide general educational, job training, and social service support to veterans residing in the general market areas of the 4 projects (Addison, Glen Ellyn, Mundelein and St. Charles).

● **<u>The 4 properties will be subject to a Land Use Restriction Agreement ("LURA") and a Tax Regulatory Agreement that will impose tenant income restrictions on the properties requiring that</u>**: (i) a minimum of 75% of the financed units shall be leased to individuals or families earning less than 80% of Area Median Income (adjusted for family size) in the Chicago-Joliet-Naperville MSA and (ii) a minimum of 40% of the units (i.e., 211 out of 528) shall be leased to individuals or families earning less than 60% of Area Median Income (adjusted for family size in the greater Chicago MSA). These same tenant income restrictions were also applicable to the prior IFA-financed Better Housing Foundation financings in 2016 (BHF Shoreline Portfolio) and in 2017 (BHF WPD/Icarus Portfolio). <u>These LURA and Tax Regulatory Agreements will assure that a minimum of 75% of the units (i.e., 396 out of 528) will be leased to low- and moderate-income tenants earning less than 80% of area median income for a minimum of 15 years or until the IFA Bonds are retired.</u>

CREDIT INDICATORS

● The plan of finance contemplates Bonds to be sold in 3 series (and comprised 2 senior series (1 tax-exempt; 1 taxable to cover non-qualified costs); and 1 subordinate series (tax-exempt).
● On October 13, 2017, **S&P Global Ratings** ("**S&P**") assigned the **Senior Tax-Exempt Series 2017A-1 and Senior Taxable Series 2017A-2 Bonds ratings of 'A-' (S&P) while the Subordinate Tax-Exempt Series 2017B Bonds were assigned a rating of 'BBB-' (S&P).**

SECURITY

● The Bonds will be secured by Project Revenues and a First Mortgage on the subject properties (Project) and a collateral assignment of Rents and Leases. *Also see the headings titled "Security – Senior Series 2017A…" (see p. 4)* and "*Security – Subordinate Series 2017B Tax Exempt Bonds" (see p. 5).*

MATURITY

● Pursuant to the Bond Resolution the proposed Bonds will mature no later than 40 years from the issuance date (Note: the anticipated final maturity date is presently December 2052 (35 years).)

SOURCES AND USES (SUBJECT TO CHANGE – ALSO SEE P. 3)

Sources:		Uses:	
Senior Series 2017A-1 Tax-Exempt Bonds	$47,875,000	Acquisition – 4 Properties (528-units)	$50,075,000
Series 2017A-1 (Original Issue Discount)	(1,096,726)	Rehabilitation	525,000
Series 2017A-2 (Taxable) Bonds	2,340,000		
Subordinate Series 2017B Tax-Exempt Bonds	7,680,000	Third Party Reports & Other Pre-Acquisition Costs	813,645
		Settlement Statement Expenses	175,000
Series 2017B (Original Issue Discount)	<u>(160,436)</u>	Escrowed Real Estate Taxes (24 mo.'s)	1,945,000
		Debt Service Reserve Fund	1,827,899
		Costs of Issuance	<u>1,276,294</u>
Total	**<u>$56,637,838</u>**	**Total**	**<u>$56,637,838</u>**

RECOMMENDATION AND CONDITIONS

Credit Review Committee recommends approval.

- The proposed Bond issue was assigned ratings of 'A-' and 'BBB-' from S&P Global Ratings as of October 13, 2017. Accordingly, these Bonds satisfy IFA Bond Program Handbook requirements necessary to sell the Bonds in minimum denominations of $5,000 based on these investment grade ratings.

REPORT CONTENTS

	<u>Content</u>	**<u>Pages</u>**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 9, 2017

Project: Windy City Portfolio Project (Borrowers: 2017 IAVF Windy City Fox Run LLC; 2017 IAVF Windy City Parkside LLC; 2017 IAVF Windy City Shaddle LLC; and 2017 IAVF Windy City Villabrook LLC)

STATISTICS

Project Number:	12412	Amount:	$65,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Addison, Glen Ellyn, Mundelein, and St. Charles	County/ Region:	DuPage, Lake, and Kane Counties/Northeast

BOARD ACTION

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

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be issued in one or more series and used by the Borrowers to finance the acquisition and rehabilitation of 4 multifamily properties with 528 units located in Addison, Glen Ellyn, Mundelein, and St. Charles. Additionally, bond proceeds will be used to capitalize debt service reserves and to pay costs of issuance. Details regarding the 4 properties to be acquired are presented on pp 6-7.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:		**Uses:**	
Senior Series 2017A-1 Bonds (Tax-Exempt)	$47,875,000	Acquisition – 4 Projects	$50,075,000
Series 2017A-1 Bonds (Discount)	(1,096,726)	Rehabilitation	525,000
** Senior (Taxable) Series 2017A-2 Bonds	2,340,000	Third Party Reports & Other Pre-Acquisition Costs	813,645
		Settlement Statement Expenses	175,000
Subordinate Series 2017B (Tax-Exempt)	1,421,775	Escrowed Real Estate Taxes (24 mo's.)	1,945,000
Subordinate Series 2017B Bonds (Discount)	(160,436)	Debt Service Reserve Fund	1,827,899
		Costs of Issuance	1,276,294
Total	**$56,637,838**	**Total**	**$56,637,838**

****Note: Taxable proceeds are primarily expected to fund a Real Estate Tax Escrow (sufficient to cover 2 years of real property taxes) and Costs of Issuance that exceed 2% of bond proceeds.**

JOBS

Current employment:	9	Projected new jobs:	1-2
Jobs retained:	N/A	Construction jobs:	4-5

FINANCING SUMMARY – SUMMARY OF STRUCTURE – BASIS OF RATING

Structure: The plan of finance contemplates the public issuance of an amount not-to-exceed $65.0 million of tax-exempt debt to be issued in multiple series that would be underwritten by Stifel Nicolaus & Company, Incorporated. Fixed Rate Bonds would be sold based on the Projects' assigned ratings (see discussions of Security for the Senior Bonds and for the Subordinate Series of Bonds below; also see the discussion presented under the heading of "Ratings" – *see p. 5*). The anticipated issuance amount (net of Original Issue Discount) based on sizing estimates was approximately $56.6 million as of 10/9/2017.

Security – Senior Series 2017A-1 Tax-Exempt Bonds and Series 2017A-2 Taxable Bonds (the "Senior Bonds"):

Trust Estate: The Bonds are secured by the Trust Estate created in the Trust Indenture, which includes all right, title and interest to (a) the Note, the Mortgages, the Land Use Restriction Agreements, and the Loan Agreement (other than the Unassigned Rights of the Authority) – *each of these items is discussed further below;* (b) all funds, money and securities held by the **Trustee** (i.e., **Wilmington Trust, National Association**) under the terms from the Indenture (except with respect to the Rebate Fund), (c) any and all other rights and interests in property conveyed, mortgaged, pledged, assigned, or transferred as and for additional security for the Bonds, and (d) all proceeds of the foregoing.

The Note: The Borrower will be obligated under the Loan Agreement to make payments, when due, on the Bonds as well as certain other fees and expenses in connection with the Bonds. As evidence of their obligations to make the Loan Payments with respect to the Bonds, the Borrower will execute and deliver to the Trustee a promissory note (the "**Note**").

Mortgages: As further security, the Bonds will be secured by a First Mortgage on each of the 4 properties and a collateral assignment of Rents and Leases (for all residential and commercial units across the 4 properties). The Mortgages will grant a first lien on and first security interest in the Borrower's interest in the Projects.

Furthermore, the Mortgages will secure the Senior Bonds and the Subordinate Bonds in that order of priority.

Bond Payments will be derived solely from operation of the Projects and the various funds and accounts held by the Bond Trustee (Wilmington Trust, National Association) under the Trust Indenture: *This financing has been rated by S&P Global Ratings as a stand-alone project financing.* Again, the Borrower's obligation to make scheduled payments on the Bonds will be derived from the operation and maintenance of the Project (consisting of the 4 subject properties) and of monies held in various Funds and Accounts established under the Indenture.

Rate Covenant: Additionally, the Borrower has agreed in the Loan Agreement to use its best efforts to fix, charge, and collect rents, fees, and charges in connection with the operation and maintenance of the Projects such that for each fiscal year the Debt Service Coverage Ratio will not be less than the applicable Coverage Tests of:

(i) not less than 1.25 to 1.00 on all outstanding Senior Bonds (Tax-Exempt Series 2017A-1 and Taxable Series 2017A-2 Bonds); and

(ii) not less than 1.10 to 1.00 debt service coverage on combined payments relating to all Outstanding Senior and Subordinate Bonds (i.e., combined Debt Service Coverage on all IFA Senior Series 2017A-1/A-2 Bonds and IFA Subordinate Series 2017B Bonds issued for the Financing Purposes).

- In the event that the Borrower is unable to satisfy the applicable Coverage Test requirements, the Borrower will be required to engage an external management consultant with expertise in matters relating to owning and operating multifamily residential rental housing properties to make recommendations with respect to the operations of the Projects and the sufficiency of rates, fees, and charges imposed by the Borrower in order to improve the applicable Debt Service Coverage Ratios to satisfy the applicable Coverage Tests.
- **Note:** *as provided for in the bond documents and disclosed in the Preliminary Official Statement, failure to satisfy the Rate Covenant will not constitute an Event of Default with respect to the Bonds*. Additionally, the ability of the Borrower to increase Project rents may be limited by the applicable Land Use Restriction Agreements for these properties (which impose tenant income requirements on a minimum of 75% of the units).

Proceeds of the Taxable Series 2017A-2 Bonds will be used to pay excess costs of issuance and other costs that are not eligible for tax-exempt financing.

Security – Subordinate Series 2017B Tax-Exempt Bonds: The **Subordinate Series 2017B Bonds** (the "**Subordinate Bonds**") will be secured by the same security as the **Senior Series 2017A-1 and Senior Series 2017A-2 Taxable Bonds** (the "**Senior Bonds"**), **but are subordinate in all respects to the Senior Bonds.**

- ***Note:*** A payment default on the Subordinate Bonds alone *will not* constitute an Event of Default on the IFA Series 2017 Bonds while the Series 2017 Senior Bonds remain outstanding.

Ratings: As of October 13, 2017, S&P Global Ratings ("S&P") has assigned ratings of 'A-' on the Senior Tax-Exempt Series 2017A-1 Bonds and Senior Taxable Series 2017A-2 Bonds and assigned a rating of 'BBB-' on the Subordinate Series Tax-Exempt 2017B Bonds.

The Key Structuring Element Supporting the S&P Debt Rating is the Flow of Project Revenues Described Below Under Which Bondholders Are Paid First, Before Operating Expenses: The key structuring element underlying the S&P rating on this and prior multifamily transactions that have been assigned investment grade ratings under this structure is the priority of payment on both the Senior and Subordinate Bonds relative to operating expenses. S&P's methodology assumes that debt service to bondholders is paid first, before operating expenses.

Maturity: Not later than 2057 (i.e., 40 years from issuance date; maximum parameter). The anticipated final maturity date is in 35 years (2052) based on S&P's assigned 'A-'/ 'BBB-' ratings assigned to the Senior Series 2017A1/A2 Bonds and the Subordinate Series 2017B Bonds, respectively.

Estimated Interest Rates: The estimated all-in interest rate on the 3 series of Bonds is estimated to range between 4.95% and 5.45% based on market conditions (and market expectations) as of 10/9/2017.

Estimated Closing Date: November 22, 2017

Rationale / Project Impact: Creation of new, land-use restricted affordable housing units (with improvements) at 4 properties that will preserve the existing 528 residential units as affordable rental housing for a minimum of 15 years or until the IFA Bonds are paid in full (whichever is later).

Each of the 4 Projects will be subject to its own Land Use Restriction Agreement that will be in effect for a minimum of 15 years (i.e., 2032) after the date of closing of the proposed IFA Series 2017 Bonds. The maximum term of each Land Use Restriction Agreements associated with the IFA Series 2017 Bonds will coincide with the final maturity date of the IFA Series 2017 Bonds (unless any IFA Tax-Exempt Bonds (or Tax-Exempt Refunding Bonds) are paid in full prior to the final maturity date). *(Also see "Land Use Restriction Agreements" – p. 12.)* These Land Use Restriction Agreements along with a Tax Regulatory Agreement will assure that these properties are subject to more stringent income-based tenant limitations as a result of Better Housing Foundation's acquisition of these properties.

The proposed Social Services Provider for the Project (the Invest in America's Veterans Foundation or "IAVF") owns several affordable rental property portfolios located in other states. The IAVF provides housing assistance services to veterans through its participation involvement in the HUD-VASH assistance program (including in properties directly owned by IAVF in Florida, and Louisiana). *(See p. 12 for additional information on IAVF and HUD-VASH.)*

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used **Better Housing Foundation, Inc.**, an Ohio nonprofit corporation (and 501(c)(3) corporation) ("**BHF**" or the "**Sole Member**"), as the Sole Member of (a) **2017 IAVF Windy City Fox Run LLC, (b) 2017 Windy City Parkside LLC, (c) 2017 IAVF Windy City Shaddle LLC, and (d) 2017 IAVF Windy City Villabrook LLC**, each a Florida limited liability company (individually a "**Borrower**" and collectively, the "**Borrowers**"), to: (i) pay a portion of the costs of acquisition, rehabilitation, and equipping of 4 multifamily affordable residential rental properties with approximately 528 residential housing units (at the addresses identified under the description "*The Four Projects*" below (*see pp. 6-7*) and collectively, the "**Projects**"), (ii) fund one or more debt service reserve funds for the benefit of the Series 2017 Bonds, and (iii) pay a portion of the costs of issuance relating to the Series 2017 Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

The Four Projects:

The four (4) properties that will be acquired by the Borrowers in connection with the issuance of the Bonds are listed below (each a "**Project**" and collectively, the "**Projects**"), together with a description of the number of residential units in each Project, the location of each Project, the Borrower associated with each Project and the maximum principal amount of bond proceeds allocable to each such Project (the following not-to-exceed parameters were cited in the TEFRA Hearing Notices published for these Projects):

1) **Fox Run Apartments** to be owned and operated by 2017 IAVF Windy City Fox Run LLC, is located at 145 Walnut Drive, St. Charles, Illinois 60174 (220 residential units/$27,000,000 maximum amount of Bonds allocated);
2) **Parkside Apartments** to be owned and operated by 2017 IAVF Windy City Parkside LLC, is located at 16 North Parkside, Glen Ellyn, Illinois 60137 (120 residential units/$14,500,000 maximum amount of Bonds allocated);
3) **Shaddle Apartments** to be owned and operated by 2017 IAVF Windy City Shaddle LLC, is located at 40 South Shaddle, Mundelein, Illinois 60060 (70 residential units/$10,000,000 maximum amount of Bonds allocated); and
4) **Villa Brook Apartments** to be owned and operated by 2017 IAVF Windy City Villabrook LLC, is located at 103-195 South Villa, Addison, Illinois 60601 (118 residential units/$13,500,000 maximum amount of Bonds allocated).

The not-to-exceed amount specified in the Bond Resolution is $65,000,000.

BUSINESS SUMMARY

The Borrowers: **2017 IAVF Windy City Fox Run LLC, 2017 IAVF Windy City Parkside LLC, 2017 IAVF Windy City Shaddle LLC, and 2017 IAVF Windy City Villabrook LLC** are each a newly-created Florida limited liability company (individually, a "**Borrower**" and collectively the "**Borrowers**") and single asset entity formed with each established to own one of the four properties described above (see "The Four Projects" on pp. 6-7).

The Borrowers have no officers, directors, or managers and each Borrower is governed by the **Better Housing Foundation**, an Ohio nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and exempt from federal income taxation under Section 501(a) of the Code (the "**Sole Member**", "**BHF**", or the "**Foundation**").

Additional information regarding the Sole Member is provided below (*pp. 7-9*) under the caption the "Sole Member".

The Borrowers do not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the ownership and management of the Four Projects and the Borrower is required to be a single asset/sole purpose entity by the Loan Agreement. (However, the Sole Member and other affiliated entities may engage in the acquisition, development, ownership, leasing and management of similar types of housing projects.)

Ownership of the Projects by the Borrowers: The Borrower will be acquiring 4 properties with a total of 528 residential units including properties in Addison (Villa Brook Apartments; 118-units), Glen Ellyn (Parkside Apartments;120-units), Mundelein (Shaddle Apartments; 70-units), and St. Charles (Fox Run Apartments; 220-units). *A site map of the 4 Projects is presented on pp. 14-15.*

The four Borrowers have each been established to own, respectively, one of the four properties to be acquired with bond proceeds. None of the 4 Borrowers currently own any assets.

The subject properties will be the only assets owned by the Borrower subsequent to closing of the proposed IFA Series 2017 Bonds. The asset or assets of the Borrower will be the underlying properties owned by it.

Each Borrower does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the ownership of the property each Borrower acquires in connection with the proposed IFA Series 2017 Bonds

The Sole Member: The **Better Housing Foundation** ("**BHF**" or the "**Sole Member**") is an Ohio nonprofit corporation formed for the purpose for the purpose of providing quality, affordable housing to persons of low income across the United States. The Sole Member received a determination letter from the IRS dated April 23, 2015 for its tax-exempt status as an organization described in Section 501(c)(3) of the Code.

The Sole Member does not own any assets. Rather, BHF is the sole member of several special purpose entities whose assets consist solely of affordable rental housing properties acquired in connection with the issuance of tax-exempt bonds.

Prior BHF Conduit Bond Issues through IFA: To date BHF has used proceeds of two IFA Bond issue to finance the acquisition of two portfolios of affordable rental apartment properties since 2016. Both portfolios of project acquired with IFA Bond proceeds currently maintain the investment grade ratings assigned to those bond issues at the time of issuance.

1. In **May 2017**, IFA issued **$51,805,000 of Bonds** to finance the acquisition of the 45-property, 518-unit Icarus-WPD Portfolio) located on the South Side of Chicago. BHF is the Sole Member of the Project Owner (i.e., BHF Chicago Housing Group B LLC). The senior and subordinate series of Icarus-WPD Portfolio Bonds were rated 'A-' and 'BBB-' respectively by S&P Global Ratings. The Series 2017 Bonds (Icarus-WPD Portfolio) currently maintain those ratings.

2. In **July 2016**, IFA issued **$13,560,000 of Bonds** to finance the acquisition of a 13-property portfolio comprising 262 units located on the South Side of Chicago (Better Housing Foundation Shoreline Portfolio). BHF is the Sole Member of the Project Owner (i.e., Lindran Properties LLC). The senior and subordinate series of Shoreline Bonds were rated 'BBB' and 'BBB-', respectively, by S&P Global Ratings and the Series 2016 Bonds (Better Housing Foundation Shoreline Portfolio) currently maintain those ratings.

BHF's Governance: The Sole Member is governed by a Board of Directors, which currently consists of five members – who are identified immediately below. Mr. Antonio and Mr. Dayan (#4 and #5 below) are local, Illinois residents who were appointed to serve as BHF Directors within the past year. According to the draft Preliminary Official Statement, each has the following experience managing and working with other affordable housing and other not-for-profit organizations:

1. **Jason Cook, President**. Mr. Cook has been a board member of the Sole Member since its inception in 2015. He is also the president of JPC Charities, a 501(c)(3) not-for-profit corporation based in Rocky River, Ohio that owns over 3,900 units of affordable housing across the Eastern U.S. Mr. Cook is involved in oversight of acquiring, rehabilitating and managing the organization's multifamily housing projects.
2. **Thomas Kern, Secretary**. Mr. Kern is an attorney at Benesch, Friedlander, Coplan and Aronoff, LLP in Columbus, Ohio. Mr. Kern has a specific interest in providing high quality, low income housing. According to the Appendix A of the draft Preliminary Official Statement, Mr. Kern has diverse experience in serving on various nonprofit boards.
3. **Tracy Hughey, Treasurer**. Ms. Hughey is the Director of Operations for an Ohio-based long term care provider that operates over 20 long term care facilities in Ohio. Ms. Hughey is an experienced leader in the nonprofit community, leading initiatives ranging from education to affordable housing and community development. Ms. Hughey is committed to fulfilling the charitable mission of the Foundation -- providing quality, affordable housing to low income families.
4. **Douglas J. Antonio, Member.** Mr. Antonio is an experienced real estate attorney with extensive experience financing real estate projects structured with various federal, state, and local programs. Mr. Antonio has advised clients that have financed projects using tax-exempt housing bonds, low income housing tax credits, and New Markets Tax Credits. Mr. Antonio is an attorney at Sugar Felsenthal Grais & Hammer LLP in Chicago, Illinois.
5. **Max S. Dayan, Member.** Mr. Dayan currently serves as the Director of Development for the Libenu Foundation of Skokie, Illinois, a non-profit providing supervised group housing serving Jewish adults with developmental disabilities in the Chicago area. Mr. Dayan has been working with the special needs community since 2009, beginning as a direct service provider before becoming a Qualified Intellectual and Developmental Disabilities Professional ("QIDP") for Clearbrook of Arlington Heights, Illinois in 2013. Clearbrook is a leading service provider to the developmentally disabled.

As to be disclosed in the Preliminary Official Statement for the Series 2017 Bonds (Windy City Portfolio), BHF's Board is in the process of hiring an Executive Director to oversee the Shoreline Portfolio, the Icarus Portfolio and otherwise manage the corporate affairs of the Borrower. The Executive Director would also manage future properties to be acquired by affiliates of BHF (including the subject Windy City Portfolio).

Consultants Engaged by the Sole Member: The consulting companies engaged by the Borrower (on behalf of the Sole Member) will include (i) an Acquisition Consultant and (ii) a Property Manager.

Note: as reported below, the Acquisition Consultant and Property Manager are affiliated entities und**er common ownership and management control by the Lynd Company of San Antonio, Texas.**

The Acquisition Consultant. The Better Housing Foundation will enter into an Acquisition Services Agreement with **Lynd Opportunity Partners, LLC** (the "**Acquisition Consultant**"). Pursuant to the Acquisition Services Agreement, the Lynd Opportunity Partners, LLC will provide advisory services related to the acquisition, design, planning, financing, and rehabilitation of the Projects. The Acquisition Consultant has funded upfront escrow deposits, and pre-acquisition due diligence reports (e.g., appraisal reports; property condition reports; environmental site assessment reports).

In consideration for paying all pre-acquisition due diligence expenses, the Acquisition Consultant will be paid a one-time fee of $200,000 upon issuance of the Series 2017 Bonds. A portion of the Bond Proceeds associated with the first two IFA Better Housing Foundation portfolio acquisition pools was also used to finance these pre-acquisition due diligence expenses.

The Property Manager. The Projects will be managed by **The Lynd Company**, a Texas C Corporation established in 1980 and based in San Antonio, TX ("**Lynd**" or the "**Manager**"). The Manager currently manages a total of approximately 170 properties with approximately 35,000 units in 16 states and 50 metropolitan areas, including several affordable properties in multiple markets. Lynd employs 50 people in its multifamily property management division nationally. *See* www.LyndWorld.com *for additional information.*

The 4 subject properties will be Lynd's first under management in the Chicago metro market. According to Lynd, the Company intends to hire a full-time manager for the Chicago metro area when the Company's has a minimum of 8 multifamily properties in the Chicago metro market.

Under the Management Agreement, the Manager will be paid a monthly fee. The initial monthly Management Fee will equal approximately 4.00% of effective gross income for the four Windy City Portfolio Projects.

Summary Characteristics of the 4 Portfolio Projects:

The 4-property portfolio to be purchased with the IFA Series 2017 Bonds is comprised of 528 residential units. The addresses of the 4 properties are identified below on p.13 of this report.

All 4 properties are currently market rate properties. Tenants would be able to use HUD Housing Choice ("HUD HCV") Vouchers or the HUD-VASH Program to assist with payments towards these rents. Notably, rents on all 372 1-Bedroom and four (4) 3-Bedroom units at the four properties are lower than HUD Fair Market Rents reported for the Chicago MSA. Accordingly, approximately 376 (i.e., 71%) of the 528-units feature rents that are lower than HUD Fair Market Rents in the Chicago MSA. Presently, the four properties do not have a significant number of HUD HCV and HUD-VASH tenants (for whom the 1-Bedroom and 3-Bedroom units would be particularly desirable given existing monthly rents).

Note: Internal Revenue Code requirements resulting from the BHF acquisition and the proposed tax-exempt bond financing *only impose tenant income restrictions* on the 4 properties. The proposed Series 2017 Bonds *will not* impose any IRS-mandated monthly rent restrictions on the 4 properties.

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Current unit mixes, monthly rents, and amenities at each of the four properties are described in the table immediately below.

Windy City Portfolio Rents - By Project (as of 10/1/2017)					
Property	1-Bedroom	2-Bedroom	3-Bedroom	# Units - Total/ Composite	Occupancy (Physical) - By Property
Fox Run - St. Charles - Rents	**$975 - $1,050**	**$1,325**	**$1,388**		
# Units by Type	*160*	*56*	*4*	*220*	***95.0%***
Square Footage	*650-780*	*1,200*	*1,430*		
Parkside - Glen Ellyn - Rents	**$995**	**$1,350**	N/A		
# Units by Type	*88*	*32*	*0*	*120*	***91.0%***
Square Footage	*700*	*1000*	*N/A*		
Shaddle - Mundelien - Rents	**$1,013 - $1,075**	**$1,250**	N/A		
# Units by Type	*6*	*64*	*0*	*70*	***96.0%***
Square Footage	*400-450*	*875*	*N/A*		
Villa Brook - Addison - Rents	**$790 - $925**	N/A	N/A		
# Units by Type	*118*	*0*	*0*	*118*	***97.0%***
Square Footage	*560*	*N/A*	*N/A*		
Total Units by Unit Type:	**372**	**152**	**4**	**528**	
Composite Occupany Rate - 4 Property Portfolio:					***94.7%***

Source: The Borrowers

HUD Fair Market Rents - FY 2016 and FY 2017				
Chicago - Joliet - Naperville HUD Metro Fair Market Rents - By # Bedrooms				
	Efficiency	**1BR**	**2BR**	**3BR**
FY 2017	$ 912	$ 1,055	$ 1,232	$ 1,569
FY 2016	$ 860	$ 1,001	$ 1,176	$ 1,494
% Change:	6.05%	5.39%	4.76%	5.02%

Source: U.S. Department of Housing and Urban Development's website

Historic Occupancy Rates: The historical physical occupancy rates for the past 4 years for each the 4 properties and the weighted average are reported in the table below. In 2015, occupancy rates of less than 90% were posted at Fox Run (St. Charles), Parkside Apartments (Glen Ellyn), and Villa Brook Apartments (Addison) while Shaddle Apartments (Mundelein) posted an 85% occupancy rate in 2016. The current owner of the properties (affiliates of Windy City RE, LLC) had allowed leases to expire to provide vacancies to facilitate rehabilitation of units. Following rehabilitation, the units were re-tenanted and rental income rebounded. Subsequent to acquisition by the Borrowers, additional renovations and repairs are contemplated to complete rehab work at these properties (see p. 11).

Windy City Portfolio - Historical Occupancy - for FYE December 31,					
	Project	**9/30/2017 (9-months)**	**2016**	**2015**	**2014**
1	Fox Run Apartments - St. Charles, IL	95%	95%	85%	95%
2	Parkside Apartments - Glen Ellyn, IL	91%	96%	60%	95%
3	Shaddle Apartments - Mundelein, IL	96%	85%	95%	95%
4	Villa Brook Apartments - Addison, IL	97%	95%	70%	95%
Note: Lower reported occupancies in 2015 and 2016 reflected units/properties undergoing substantial rehabilitation.					

Source: Sellers - as of 10/1/2017

Note: The Borrowers forecast physical occupancy to be at least 95% going forward.

Property Condition Assessment Reports: **Dominion Due Diligence Group, Inc.** of Midlothian, Virginia was engaged to prepare a **Property Condition Assessment** report for each of the four Projects with dates of inspection occurring on February 27, 2017 through March 2, 2017.

The table below (i) identifies the estimated costs of "critical repairs" and "non-critical repairs" to be completed at each Project and (ii) capital expenditures at each Project undertaken by the Seller since 2015.

Windy City Portfolio - Property Condition Assessment & Renovation Report						
Project No.	Project	Year Constructed	Year Substantially Renovated	Critical Repairs (to be bond-financed)	Non-Critical Repairs (to be bond-financed)	Capital Expenditures by Seller since 2015
1	Villa Brook Apartments - Addison (118 units)	1962	2015	$ 1,900	$ 316,236	$ 1,396,637
2	Parkside Apartments - Glen Ellyn (120 units)	1963	2015	$ 3,855	$ 7,217	$ 3,553,309
3	Shaddle Apartments - Mundelein (70 units)	1970	2016	$ 5,200	$ 311,216	$ 613,760
4	Fox Run Apartments - St. Charles (220 units)	1973	2015	$ 6,250	$ 27,523	$ 1,481,035
	TOTAL:			$ 17,205	$ 662,192	$ 7,044,741

NOTE: proposed renovations of $98,420.00 remain at (#1) Villa Brook Apartments while renovations of $299.861.68 remain at (#3) Shaddle Apartments. These improvements will complete the final phase of renovations at Villa Brook and Shaddle.

The aggregate capital expenditures undertaken by the Seller since 2015 at the 4 properties totaled $7,044,741 (or approximately $13,342 per unit). As noted in the table above, the Villa Brook Apartment project has approximately $98,420 of Non-Critical Repairs remaining while Shaddle Apartments has approximately $299,862 of Non-Critical Repairs remaining. The remaining non-critical repairs identified above will complete remaining renovations at the 4-property Windy City Portfolio.

Based on the summaries of the Property Condition Reports, the 4 properties have maintained high occupancy rates (composite average occupancy rate of approximately 94.7% as of 10/1/2017) and are generally in good repair according to the Property Condition Reports that will be summarized in Appendix A to the Preliminary Official Statement.

To the extent any other building condition issues are identified at any of the 4 properties prior to closing on the subject acquisition, the Seller will be obligated to remedy any such building condition issues.

Repair & Replacement Reserve: Additionally, the Borrower has budgeted (i.e., $300 per unit-per year) of Repair & Replacement Reserve Expenses to properly reflect ongoing investments necessary to maintain the 4 properties. This amount was submitted to S&P in connection with their ratings assessment.

Phase I Environmental Audit Reports: The Borrower obtained an independent Phase I Environmental Site Assessment prepared by **Dominion Environmental Services, Inc.** of Midlothian, Virginia (and **National Due Diligence Services** of Orlando, Florida) for each of the 4 properties (the "**Environmental Assessments**") in connection with inspections completed February 27, 2017 through March 2, 2017. **Conclusion:** The Environmental Assessments provided no evidence of recognized environmental conditions and no further investigations were recommended.

PROJECT REGULATION: LAND USE RESTRICTION AND TAX REGULATORY AGREEMENTS

Will Provide for Tenant Income Restrictions on a Minimum of 75% of the 528 Units for a Minimum Period of 15 Years (or Until the IFA Bonds are Paid in Full)

Land Use Restriction Agreements ("LURA"). All 4 properties to be acquired with the IFA Series 2017 Bonds will be subject to a Land Use Restriction Agreement under which the Borrower (and any successor as Owner) will be obligated (pursuant to Section 142(d) of the Internal Revenue Code of 1986 and during the Qualified Project Period (i.e., a minimum of 15 years from the closing date or the date on which the Series 2017 Bonds or any Refunding Bonds are repaid in full) at least 40% of the completed units be occupied by families or individuals whose adjusted income does not exceed 60% (adjusted for family size) of the median gross income for the area.

Tax Regulatory Agreement. The Tax Regulatory Agreement will impose additional requirements relating to the 501(c)(3) tax-exempt treatment of the Sole Member, including the requirement that a minimum of 75% of the units in the Projects be rented to persons whose income does not exceed 80% (adjusted for family size) of the area median gross income. *Accordingly, upon acquisition by the Borrower, these properties must maintain a higher percentage of below-median-income units than specified by standard HUD income restrictions.*

OVERVIEW OF PROPOSED SERVICES TO VETERANS

IAVF and the Windy City Portfolio Properties:

As vacant units become available the Better Housing Foundation, Property Manager (The Lynd Company), and the Social Services Provider (Invest in America's Veteran's Foundation – IAVF) will work with the VA to make qualified veterans aware of future vacancies at the four Windy City Portfolio properties. *It is anticipated that a few veterans will be integrated into vacant units at the four properties as they become available.*

IAVF will provide staff and resources towards job placement, counseling, and other supportive services for veterans (including residents at these properties).

Additionally, VA case managers may connect these veterans with support services such as health care, mental health treatment and substance use counseling to help them in their recovery process and with their ability to maintain housing in the community.

A portion of surplus cash flow (after all debt service payments have been made and all reserve requirements satisfied) will be allocated to IAVF to provide social services to the area veterans community.

The HUD-VA Supportive Housing Program:

Income-qualified veteran tenants may also take advantage of the **HUD-VA Supportive Housing Program** ("**HUD-VASH**"), which is a collaborative program between the **U.S. Department of Housing and Urban Development** ("**HUD**") and the **Veterans Administration** ("**VA**").

HUD-VASH focuses on providing income-qualified rental assistance vouchers for privately owned housing. Additionally, VA case managers may connect these veterans with support services such as health care, mental health treatment and substance use counseling to help them in their recovery process and with their ability to maintain housing in the community.

Among VA homeless continuum of care programs, HUD-VASH enrolls the largest number and largest percentage of veterans who have experienced long-term or repeated homelessness. As reported on HUD's website, of Sept. 30, 2015, HUD had allocated more than 78,000 vouchers to help house veterans across the U.S.

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Sole Member of Borrowers:	Better Housing Foundation, c/o Mr. Jason Cook, President, Better Housing Foundation, 6932 Rings Rd., #234, Amlin, OH, 43002, Tel.: 440.552.0872
Alternate Contact – Counsel to Sole Member:	Ms. Meredith Rosenbeck, Esq., Rosenbeck Law, LLC, 5701 Tynecastle Loop, Dublin, OH 43016; Tel: 614.546.8042; Email: mrosenbecklaw@yahoo.com
Social Services Provider to BHF:	Invest in America's Veterans Foundation, c/o Mr. Ralph Santillo, Founder/President, 4820 Leonard Street, Cape Coral, FL 33904; Tel.: 239.541.8704
Site Locations:	The 4 site locations are identified (see site maps on pp. 15-16).
Project Name:	Illinois Finance Authority, 501(c)(3) Revenue Bonds (Windy City Portfolio Project), Senior Tax-Exempt Series 2017A-1, Senior Taxable Series 2017A-2 and Subordinate Tax-Exempt Series 2017B
Governance of the Sole Member and 4 Borrowers:	The four **Borrowers** ((i) **2017 IAVF Windy City Fox Run LLC, (ii) 2017 Windy City Parkside LLC, (iii) 2017 IAVF Windy City Shaddle LLC, and (iv) 2017 IAVF Windy City Villabrook LLC**) are each Florida limited liability companies. The Sole Member of each of the four Borrowers is the **Better Housing Foundation** of Amlin, Ohio, a 501(c)(3) corporation and Ohio nonprofit corporation. <u>The Better Housing Foundation is governed by a five-member board, which currently consists of the following Members:</u> • Mr. Jason Cook, President (Rocky River, Ohio) • Mr. Thomas Kern, Secretary (Columbus, Ohio) • Ms. Tracy Hughey, Treasurer (Columbus, Ohio) • Mr. Douglas J. Antonio, Member (Chicago, Illinois) • Mr. Max Dayan, Member (Skokie, Illinois)
Real Estate Advisor to Borrower/ Sole Member:	Lynd Opportunity Partners, LLC, 8000 Interstate 10, San Antonio, Texas, 78230; Contact: Mr. A. David Lynd, CEO, 210.798.8129
Property Manager – Post-Closing:	The Lynd Company, 8000 Interstate Highway 10 West, Suite 1200, San Antonio, TX 78230; Contact: Mr. Ken Miller, COO, Tel.: 210.733.6125
Seller Disclosure – 4 Properties:	The four properties are all owned by entities that are wholly-owned by Windy City RE, LLC, an Illinois limited liability company. The three Members of Windy City RE, LLC are: • Manager: Ms. Amy Rubenstein, Manager, Windy City RE, 737 N. Michigan Ave., Suite 1230, Chicago, IL 60611; Tel.: 312.867.8744; Website: www.WindyCityRE.com • Member: Mr. Joshua G. Rubinstein • Member: Mr. Milan P. Rubinstein

PROFESSIONAL & FINANCIAL

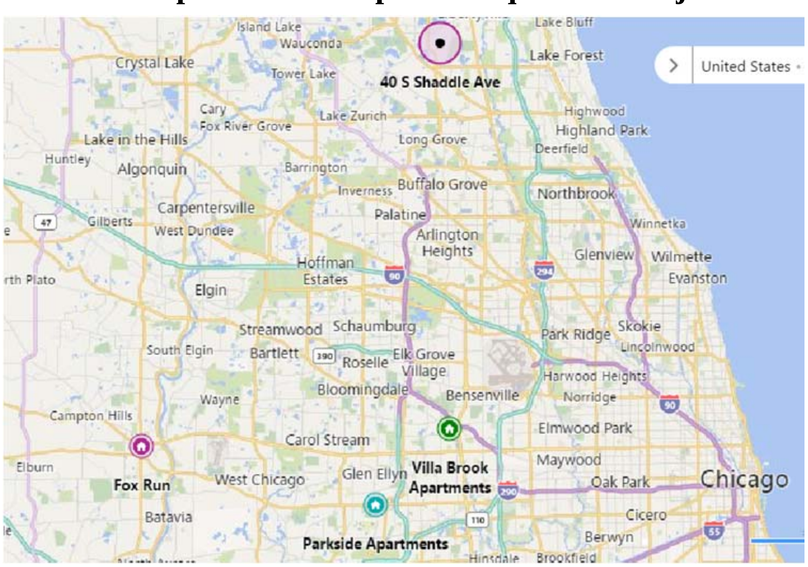
Sole Member:	Better Housing Foundation	Rocky River, OH	Jason Cook, President
Sole Member's/ Borrower's Counsel:	Rosenbeck Law, LLC	Dublin, OH	Meredith Rosenbeck
Borrower's Counsel - Local:	Clark Hill PLC	Chicago, IL	Chad Poznansky
Auditor to Borrowers and Sole Member (Post-Acquisition):	BDO USA, LLP	Chicago, IL	

Social Services Provider to Veterans:	Invest in America's Veterans Foundation	Cape Coral, FL	Ralph Santillo, Pres
Bond Counsel:	Kutak Rock LLP	Omaha, NE	Josh Meyer
		Chicago, IL	Kevin Barney
Underwriter:	Stifel Nicolaus & Company, Inc.	Atlanta, GA	Cody Wilson
Underwriter's Counsel:	Butler Snow LLP	Atlanta, GA	David Williams
Bond Trustee:	Wilmington Trust, National Association	Dallas, TX	Cam Lindsey
Trustee's Counsel:	Ballard Spahr LLP	Atlanta, GA	Han Choi, Stephanie Kim
Bond Rating:	S&P Global Ratings (Standard & Poor's Rating Services)	Chicago, IL	
Dissemination Agent:	Disclosure Advisors LLC	Columbus, OH	Paul Rutter
Acquisition Consultant:	Lynd Opportunity Partners, LLC	San Antonio, TX	A. David Lynd
Property Manager:	The Lynd Company	San Antonio, TX	Ken Miller
Seller's Counsel (to Windy City Re, LLC)	Lisa J. Saul, Esq.	Chicago, IL	Lisa Saul
Architect:	Not applicable		
General Contractor:	To be managed and supervised by the Property Manager		
Appraisal Reports:	Novogradac & Company LLP	Austin, TX	John Cole
Property Condition Reports:	Dominion Due Diligence Group, Inc.	Midlothian, VA	
Environmental Site Assessment Reports:	Dominion Environmental Group, Inc. & National Due Diligence Services	Midlothian, VA Orlando, FL	
IFA Counsel:	Charity & Associates, P.C.	Chicago, IL	Tim Hinchman
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Siamac Afshar

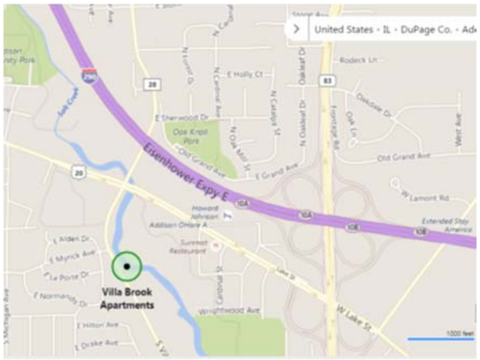
LEGISLATIVE DISTRICTS

	U.S. Congressional	Illinois Senate	Illinois House
Addison (Villa Brook Apts.)	8	39	77
Glen Ellyn (Parkside Apts.)	6	24	48
Mundelein (Shaddle Apts.)	10	30	29
St. Charles (Fox Run Apts.)	14	33	65

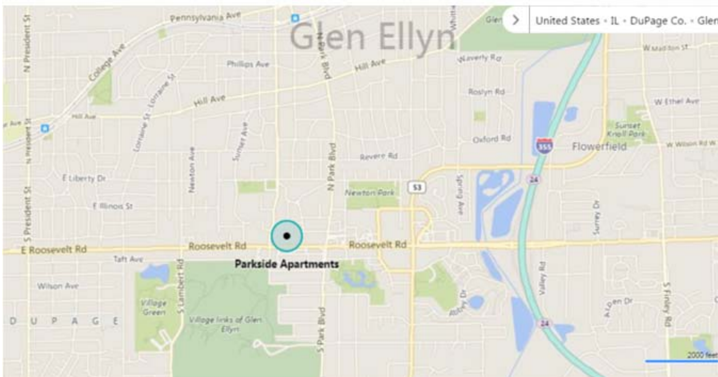
Site Map for the 4 Proposed Acquisition Projects



Close-up Maps/Photos for Each Property:



Villa Brook Apartments, 103-195 S. Villa Ave., Addison Illinois



Parkside Apartments, 16 N. Parkside, Glen Ellyn, IL 60137

Shaddle Apartments, 40 S. Shaddle, Mundelein, IL 60060

Fox Run Apartments, 145 Walnut Drive, St. Charles, IL 60174
Source: Bing Maps

CONDUIT

November 9, 2017

$800,000,000
Northwestern Memorial HealthCare

REQUEST	**Purpose**: The proceeds of the bonds will be loaned to **Northwestern Memorial HealthCare** ("**NMHC**") and/or one of its affiliates (with NMHC, the "**Borrower**") to be used, together with certain other funds, to (i) refund all or a portion of the outstanding principal amount of the outstanding bonds issued for the benefit of NMHC and the other Members of the Obligated Group which include (a) Illinois Finance Authority Revenue Bonds, Series 2009A (Northwestern Memorial Hospital) (the "**Series 2009A Bonds**"), (b) Illinois Finance Authority Revenue Bonds, Series 2009B (Northwestern Memorial Hospital) (the "Series 2009B Bonds" and, together with the Series 2009A Bonds, the "**NMH Bonds**"), (c) Illinois Finance Authority Revenue Bonds, Series 2009 (Central DuPage Health) (the "**CDHS Series 2009 Bonds**"), (d) Illinois Finance Authority Revenue Bonds, Series 2009B (Central DuPage Health) (the "**CDHS Series 2009B Bonds**"), (e) Illinois Health Facilities Authority Revenue Bonds, Series 2003A – Series 2003C (Delnor-Community Hospital) (the "**Series 2003 Bonds**"), (f) Illinois Health Facilities Authority Revenue Bonds, Series 2002A – Series 2002D (Delnor-Community Hospital) (the "**Series 2002 Bonds**" and, collectively with the NMH Bonds, the CDHS Series 2009 Bonds, the CDHS Series 2009B Bonds and the Series 2003 Bonds, the "**Prior Bonds**") and (g) Northwestern Memorial HealthCare Taxable Commercial Paper Notes, Series A (the "**Taxable Notes**"); (ii) pay or reimburse the Borrower or other Member of the Obligated Group for the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities , including necessary and attendant equipment, facilities, sitework and utilities thereto, including, without limitation, the construction and equipping of an approximately 499,605 square foot facility located at 1100 N. Westmoreland Rd, Lake Forest, Illinois; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the IFA or the Borrower; (iv) fund one or more debt service reserve funds, if deemed necessary or advisable by the IFA or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds, and the payment of the Taxable Notes including but not limited to, fees for insurance, credit enhancement or liquidity enhancement for the Bonds or derivative termination costs if deemed necessary or advisable by the Borrower. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record – October 12, 2017 – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 1 Not Voting (Goetz); 2 Absent; 2 Vacancies.
MATERIAL CHANGES	None. Description of bonds being refunded. The addition of Loop Capital Markets LLC and Cabrera Capital Markets LLC to the underwriting team.
JOB DATA	24,000+ Current jobs; N/A New jobs projected N/A Retained jobs; 240 Construction jobs created by this project
DESCRIPTION	NMHC is the corporate parent for Northwestern Medicine's health system ("**Northwestern Medicine**") whose medical staff of more than 4,000 includes over 1,600 employed physicians and more than 1,000 residents. Northwestern Medicine serves patients at nearly 100 diagnostic and ambulatory sites across the Chicagoland area, including approximately 1,900 licensed beds among seven hospitals located in Illinois; Northwestern Memorial Hospital ("**NMH**") in Chicago, Northwestern Medicine Central DuPage Hospital ("**CDH**") in Winfield, Northwestern Medicine Lake Forest Hospital ("**NLFH**") in Lake Forest, Northwestern Medicine Delnor Hospital ("**Delnor**") in Geneva, Northwestern Medicine Kishwaukee Community Hospital ("**KCH**") in DeKalb, Northwestern Medicine Valley West Hospital ("**Valley West**") in Sandwich and Marianjoy Rehabilitation Hospital ("**Marianjoy Hospital**") in Wheaton.

CREDIT INDICATORS	● Current long-term underlying credit ratings for NMHC are "Aa2"/ "AA+" by Moody's/S&P, respectively. The Series 2017 bonds are expected to also be rated by Moody's and S&P. ● The Bonds will be sold in the public markets as unenhanced fixed rate bonds and unenhanced intermediate fixed rate put bonds or in other modes, as determined by J.P. Morgan Securities, Barclays and Wells Fargo Securities.
SECURITY	● Payments under the loan agreements are secured by notes issued pursuant to the Master Indenture.
MATURITY	● Bonds will mature no later than 40 years from the closing date.
STRUCTURE	● Secured by pledge of gross receivables.
SOURCES AND USES	See below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		Uses:	
IFA Bonds	$800,000,000	New Money	$200,000,000
		Refunding	593,500,000
		Cost of Issuance	6,500,000
Total	**$ 800,000,000**	**Total**	**$800,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 9, 2017

Project: Northwestern Memorial HealthCare

STATISTICS

Project Number:	12409	Amount:	$800,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Location/s:	Chicago, Lake Forest, Wheaton, Winfield, DeKalb, Sandwich, Geneva	Counties:	Cook/Lake/DuPage/DeKalb/Kane
		Region:	Northeast

BOARD ACTION

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

VOTING RECORD

Final Bond Resolution
Voting Record – October 12, 2017 – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 1 Not Voting (Goetz); 2 Absent; 2 Vacancies.

PURPOSE

The proceeds of the bonds will be loaned to **Northwestern Memorial HealthCare** ("**NMHC**") and/or one of its affiliates (with NMHC, the "Borrower") to be used, together with certain other funds, to (i) refund all or a portion of the outstanding principal amount of the outstanding bonds issued for the benefit of NMHC and the other Members of the Obligated Group (the "**Prior Bonds**"); (a) Illinois Finance Authority Revenue Bonds, Series 2009A (Northwestern Memorial Hospital) (the "**Series 2009A Bonds**"), (b) Illinois Finance Authority Revenue Bonds, Series 2009B (Northwestern Memorial Hospital) (the "**Series 2009B Bonds**" and, together with the Series 2009A Bonds, the "**NMH Bonds**"), (c) Illinois Finance Authority Revenue Bonds, Series 2009 (Central DuPage Health) (the "**CDHS Series 2009 Bonds**"), (d) Illinois Finance Authority Revenue Bonds, Series 2009B (Central DuPage Health) (the "**CDHS Series 2009B Bonds**"), (e) Illinois Health Facilities Authority Revenue Bonds, Series 2003A – Series 2003C (Delnor-Community Hospital) (the "**Series 2003 Bonds**"), (f) Illinois Health Facilities Authority Revenue Bonds, Series 2002A – Series 2002D (Delnor-Community Hospital) (the "Series 2002 Bonds" and, collectively with the NMH Bonds, the CDHS Series 2009 Bonds, the CDHS Series 2009B Bonds and the Series 2003 Bonds, the "**Prior Bonds**") and (g) Northwestern Memorial HealthCare Taxable Commercial Paper Notes, Series A (the "**Taxable Notes**"); (ii) pay or reimburse the Borrower or other Member of the Obligated Group for the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities , including necessary and attendant equipment, facilities, sitework and utilities thereto, including, without limitation, the construction and equipping of an approximately 499,605 square foot facility located at 1100 N. Westmoreland Rd, Lake Forest, Illinois; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the IFA or the Borrower; (iv) fund one or more debt service reserve funds, if deemed necessary or advisable by the IFA or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds, and the payment of the Taxable Notes including but not limited to, fees for insurance, credit enhancement or liquidity enhancement for the Bonds or derivative termination costs if deemed necessary or advisable by the Borrower.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$800,000,000	New Money	$200,000,000
		Refunding	593,500,000
			6,500,000
Total	**$800,000,000**	**Total**	**$800,000,000**

JOBS

Current employment:	24,000+	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs created by this project:	240

FINANCING SUMMARY

Credit Enhancement:	None.
Structure:	Public fixed rate, intermediate fixed rate or other modes as determined by NMHC
Interest Rate:	The rates on each series will be determined on the date of pricing.
Interest Rate Modes:	Fixed, intermediate fixed or variable
Underlying Ratings:	Current long-term underlying ratings for Northwestern Memorial are "Aa2"/ "AA+" long term by (Moody's/S&P).
Maturity:	Not later than 40 years from closing
Estimated Closing Date:	December 19, 2017

PROJECT SUMMARY

The proceeds of the bonds will be loaned to **Northwestern Memorial HealthCare** ("**NMHC**") and/or one of its affiliates (with NMHC, the "Borrower") to be used, together with certain other funds, to (i) refund all or a portion of the outstanding principal amount of the outstanding bonds issued for the benefit of NMHC and the other Members of the Obligated Group (the "Prior Bonds"); (a) Illinois Finance Authority Revenue Bonds, Series 2009A (Northwestern Memorial Hospital) (the "**Series 2009A Bonds**"), (b) Illinois Finance Authority Revenue Bonds, Series 2009B (Northwestern Memorial Hospital) (the "**Series 2009B Bonds**" and, together with the Series 2009A Bonds, the "**NMH Bonds**"), (c) Illinois Finance Authority Revenue Bonds, Series 2009 (Central DuPage Health) (the "**CDHS Series 2009 Bonds**"), (d) Illinois Finance Authority Revenue Bonds, Series 2009B (Central DuPage Health) (the "**CDHS Series 2009B Bonds**"), (e) Illinois Health Facilities Authority Revenue Bonds, Series 2003A – Series 2003C (Delnor-Community Hospital) (the "**Series 2003 Bonds**"), (f) Illinois Health Facilities Authority Revenue Bonds, Series 2002A – Series 2002D (Delnor-Community Hospital) (the "**Series 2002 Bonds**" and, collectively with the NMH Bonds, the CDHS Series 2009 Bonds, the CDHS Series 2009B Bonds and the Series

2003 Bonds, the "**Prior Bonds**") and (g) Northwestern Memorial HealthCare Taxable Commercial Paper Notes, Series A (the "**Taxable Notes**"); (ii) pay or reimburse the Borrower or other Member of the Obligated Group for the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities , including necessary and attendant equipment, facilities, sitework and utilities thereto, including, without limitation, the construction and equipping of an approximately 499,605 square foot facility located at 1100 N. Westmoreland Rd, Lake Forest, Illinois; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the IFA or the Borrower; (iv) fund one or more debt service reserve funds, if deemed necessary or advisable by the IFA or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds, and the payment of the Taxable Notes including but not limited to, fees for insurance, credit enhancement or liquidity enhancement for the Bonds or derivative termination costs if deemed necessary or advisable by the Borrower.

BUSINESS SUMMARY

Northwestern Memorial HealthCare ("**NMHC**") is the parent of an integrated not-for-profit health care organization, anchored by Northwestern Memorial Hospital and Northwestern Medical Faculty Foundation d/b/a Northwestern Medical Group ("**NMG**"), which provides services to communities in Northern Illinois. NMHC partners with Northwestern University's Feinberg School of Medicine ("**FSM**") to form an academic medical center providing patient care, research and training of resident physicians. Northwestern Medicine is the shared strategic vision of NMHC and FSM.

NMHC is the corporate parent for the **Northwestern Medicine Health System** ("**Northwestern Medicine**") whose medical staff of more than 4,000 includes over 1,600 employed physicians and more than 1,000 residents. Northwestern Medicine serves patients at nearly 100 diagnostic and ambulatory sites across the Chicagoland area, including approximately 1,900 licensed beds among seven hospitals located in Illinois; Northwestern Memorial Hospital in Chicago, Northwestern Medicine Central DuPage Hospital in Winfield, Northwestern Medicine Lake Forest Hospital in Lake Forest, Northwestern Medicine Delnor Hospital in Geneva, Northwestern Medicine Kishwaukee Community Hospital in DeKalb, Northwestern Medicine Valley West Hospital in Sandwich and Marianjoy Rehabilitation Hospital in Wheaton.

NMHC and each of its not-for-profit subsidiaries are corporations organized and existing under the laws of the State of Illinois and are exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as organizations described in Section 501(c)(3) of the Code and are not private foundations within the meaning of Section 509(a) of the Code.

Highlights from each of Northwestern Medicine's seven award-winning hospitals:

- **Northwestern Memorial Hospital** is an 894-bed academic medical center hospital that is the primary teaching affiliate for the Feinberg School of Medicine and has about 2,000 affiliated physicians representing virtually every medical specialty. The hospital is ranked No. 1 in the Chicago Metro Area and Illinois, as well as 13th in the nation according to the *U.S. News & World Report* 2017-2018 Honor Roll of America's Best Hospitals, which ranks the hospital in 13 out of 16 clinical specialties. Northwestern Memorial is recognized for providing exemplary patient care and innovative advancements in a variety of clinical areas including cardiovascular care; oncology; neurology and neurosurgery; solid organ and soft tissue transplants; orthopaedics; and women's health at its Prentice Women's Hospital.
- **Northwestern Medicine Central DuPage Hospital** is a 392-bed acute-care facility located in Winfield, Ill., that has provided quality healthcare to the residents of DuPage County and beyond for more than 50 years. The hospital has been recognized as a 100 Top Hospital by Truven Health Analytics and ranked as the No. 5 hospital in both the Chicago Metro Region and Illinois by *U.S. News & World Report*. With more than 1,250 physicians on the medical staff in 90 specialties, the hospital is a regional destination for such clinical services as oncology, neurology, orthopaedics, pediatrics and cardiology. In 2014, the Ronald McDonald House near Central DuPage Hospital opened, becoming the first House in the western suburbs. The House provides a 'home away from home' for families of children being treated at the hospital or at the Northwestern Medicine Chicago Proton Center, the first and only proton center in Illinois.

- **Northwestern Medicine Lake Forest Hospital** is a 114-bed community hospital that has more than 800 physicians board-certified in 71 medical specialties, located in Lake Forest and at its Grayslake campus, which also includes a free-standing emergency room. The hospital is ranked as the No. 18 hospital in the Chicago Metro Region and No. 23 in Illinois by *U.S. News & World Report* and has been named the Consumer Choice hospital in Lake and Kenosha counties for ten years in a row by National Research Corporation. In 2018, Northwestern Medicine will open the new Lake Forest Hospital which will include 114 private inpatient rooms, 72 outpatient care spaces, eight operating rooms and 499,605 square feet of new construction on its 160-acre campus.
- **Northwestern Medicine Delnor Hospital** is a 159-bed community hospital in Geneva, Ill., with a medical staff which includes over 680 physicians in 72 specialties providing comprehensive medical care. Delnor was the first hospital in Illinois to earn nursing Magnet® Status from the American Nurses Credentialing Center, the nation's highest recognition for patient care and nursing excellence and is recognized by the Leapfrog Group as a Top Hospital. The hospital is home to a state-of-the-art Cancer Center and its Breast Health Center was first to be recognized by the prestigious National Accreditation Program for Breast Centers (NAPBC) through the American College of Surgeons.
- **Northwestern Medicine Kishwaukee Hospital** is a 98-bed acute-care hospital in DeKalb, Ill., with more than 250 physician members on the voluntary medical staff representing nearly every specialty. In 2007, Kishwaukee Hospital opened its Joint Center and in 2013 a Spine Center was added. In 2015, Kishwaukee Hospital's Breastfeeding Center opened a human milk depot to provide donor milk to at-risk infants; it is one of the first four locations of its kind in Illinois.
- **Northwestern Medicine Valley West Hospital** is a 25-bed critical access hospital in Sandwich, Ill., that has served the Fox Valley community for more than 70 years. In 2014, construction of a new patient wing and renovations to remaining areas of the hospital were completed, including a new MRI suite that is home to one of the only large bore MRI in the area. Valley West is certified Baby Friendly for breast-feeding support by World Health Organization; along with Kish, among 13 designated in Illinois and 377 in the United States.
- **Marianjoy Rehabilitation Hospital** is a rehabilitation hospital in Wheaton, Ill., with 100 acute inpatient rehabilitation beds and 27 Medicare-licensed sub-acute beds. Dedicated to the delivery of physical medicine and rehabilitation, Marianjoy offers specialty programs for adult and pediatric patients recovering from illness or who require intensive therapy to regain their function and independence. Marianjoy rehabilitation programs are: brain injury, spinal cord, orthopaedic, musculoskeletal, stroke and neuromuscular. Marianjoy also has inpatient and outpatient pediatric rehabilitation programs and one of the only Commission on Accreditation of Rehabilitation Facilities (CARF)-accredited pain management programs in Illinois.

Each hospital continues to be recognized for patient safety and quality, and NMH, CDH, LFH and Delnor have achieved Magnet® recognition for nursing excellence from the American Nurses Credentialing Center (ANCC), the prestigious gold standard for nursing care. The health system has also received numerous awards for consumer satisfaction, its inclusive diversity practices, and for financial stewardship for maintaining superior bond ratings for over 30 years.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Northwestern Memorial HealthCare
Site Address:	Northwestern Memorial Hospital 251 East Huron Street Chicago, IL 60611
Contact:	Leah Hobson Director of Finance Leah.Hobson@nm.org 312-926-7146
Website:	www.nm.org

Project name: Northwestern Memorial HealthCare

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

Ownership/2017 Board Members (501(c)(3)):

Directors	***Business Affiliations***
Carol L. Bernick	Polished Nickel Capital Management LLC
John A. Canning	Madison Dearborn Partners, LLC
Nicholas D. Chabraja	(FORMER: General Dynamics)
Michael Cullen	National Bank and Trust Company (First Midwest Bank)
Manny Favela	(FORMER: McDonald's Corporation)
William P. Flesch	Gordon Flesch Company, Inc.
Dean M. Harrison	Northwestern Memorial HealthCare
Michael J. Kachmer	Duravant
Thomas Matya	Zea Mays Holdings, LLC
W. James McNerney	The Boeing Company
Timothy P. Moen	(FORMER: Northern Trust Corporation)
Eric G. Neilson, MD	Northwestern University, Feinberg School of Medicine
William A. Osborn	(FORMER: Northern Trust Corporation)
J. Christopher Reyes	Reyes Holdings LLC
Matthew J. Ross, MD	Midwest Neurosurgery & Spine Specialist
Morton O. Schapiro	Northwestern University
Timothy P. Sullivan	Madison Dearborn Partners, LLC
Glenn F. Tilton	(FORMER: United Continental Holdings, Inc.)
Douglas E. Vaughan, MD	Northwestern University, Feinberg School of Medicine
Patricia A. Woertz	Archer Daniels Midland

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dentons US LLP	Chicago	Mary Wilson
Financial Advisor:	Kaufman, Hall & Associates, LLC	Skokie	Jim Blake
		Skokie	Marek Kowalewski
Bond Counsel:	Chapman and Cutler LLP	Chicago	Rich Tomei
Underwriters:	J.P. Morgan Securities	San Francisco	Peter Reilly
	Barclays Capital Inc.	Chicago	Jay Sterns
	Wells Fargo Securities	Chicago	Adrian Balderrama
	Loop Capital Markets LLC	Chicago	Prakash Ramani
	Cabrera Capital Markets LLC	Chicago	Santino Bibbo
Underwriter's Counsel:	Nixon Peabody LLP	Chicago	Julie Seymour
Bond Trustee:	Wells Fargo Bank, N.A.	Chicago	Gail Klewin
Issuer's Counsel:	Katten Muchin Rosenman LLP	Chicago	Chad Doobay
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago	Diana Hamilton
			Courtney Tobin

LEGISLATIVE DISTRICTS

Congressional: 7, 10, 6, 16, 14
State Senate: 13, 29, 21, 35, 25
State House: 26, 58, 42, 70, 50

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: November 9, 2017

Re: Resolution Authorizing Certain Amendments Relating to the Illinois Finance Authority Senior Living Facility Revenue Bond (Bethesda Home and Retirement Center Project), Series 2015, the Proceeds of which were loaned to Norwegian Lutheran Bethesda Home Association, d/b/a Bethesda Home and Retirement Center, and Related Entities
<u>IFA Series 2015 File Number 12311</u>

Request:

Norwegian Lutheran Bethesda Home Association, d/b/a Bethesda Home and Retirement Center, an Illinois not for profit corporation (the "**Association**"), **Bethesda Foundation**, an Illinois not-for-profit corporation (the "**Foundation**") and **Bethesda Charitable Group, Inc.**, an Illinois not-for-profit corporation (the "**Charitable Group**" and, together with the Foundation and the Association, the "**Borrower**"), and **MB Financial Bank, N.A.** (the "**Bank**" or "**Bond Purchaser**") are requesting approval of a Resolution to (i) authorize the execution and delivery of a First Modification Agreement Regarding Bond and Loan Agreement and (ii) approve related documents to effectuate an organizational restructuring of the Borrower in connection with the Illinois Finance Authority Senior Living Facility Revenue Bonds, Series 2015 (Bethesda Home and Retirement Center Project (the "**Series 2015 Bond**").

The Series 2015 Bond was issued in the principal amount of $7,517,000 as a direct-purchase with MB Financial Bank, N.A., which continues to hold the Series 2015 Bond. The outstanding par amount of the Series 2015 Bond was approximately $7,296.360 as of November 1, 2017.

<u>The Borrower operates a senior living housing facility located at 2833 North Nordica in Chicago and is merging with Norwood Life Care Foundation, which operates its own senior living housing facility located at 6016 North Nina in Chicago. Accordingly, the Borrower and Bank must amend various security documents with respect to the Series 2015 Bond to consummate the merger of the various entities</u>. Please see Economic Disclosure Section (p. 2) for a list of the Board of Directors of the Association and Norwood Life Society, which presently sponsors Norwood Life Care Foundation.

Impact:

Approval of this Resolution will provide consent to an organizational restructuring as agreed to by the Bank and the Borrower concerning the Series 2015 Bond. Specifically, the Borrower proposes that (i) **Norwood Life Society**, an Illinois not for profit organization (the "**Norwood Society**") replace the Charitable Group as the sole member of both the Association and the Foundation; (b) the Charitable Group dissolve and be removed as a "Borrower" (as defined in the Bond and Loan Agreement); (c) **Norwood Life Care Foundation**, an Illinois not for profit corporation (the "**Original Norwood Foundation**"), transfer its assets to the Foundation and thereafter the Original Norwood Foundation will dissolve; (d) the Foundation change its name to "**Norwood Life Care Foundation-B d/b/a Norwood Life Care Foundation**"); (e) the Foundation be released as a "Borrower" (as defined in the Bond and Loan Agreement), leaving the **Association** as the sole remaining Borrower (the "**Remaining Borrower**"); and (f) amend certain covenants in the Continuing Covenant Agreement and other security documents related to the Series 2015 Bond between the Association, as the Remaining Borrower, and the Purchaser (the transactions referenced above, collectively, the "**Transactions**"). Bond counsel is undertaking a review of these transactions to determine if approval of these Transactions will be considered a reissuance for tax purposes. Nevertheless, IFA's administrative closing fee for this consent will be $500.

Background:

Proceeds of the Series 2015 Bond were loaned to the Borrower in order to in order to (i) demolish the Association's existing vacant east building at the **Bethesda Home and Retirement Center** (the "**Retirement Center**"), a senior living housing facility located at 2833 North Nordica Avenue, Chicago, Illinois, construct a new 2,000 square foot rehabilitation center at the Retirement Center, remodel the first floor of the existing Retirement Center building and make related renovations and improvements thereto (all such facilities being owned and operated by the Association and referred to collectively as the "**Project**"), (ii) repay certain indebtedness of the Borrower incurred to pay costs of the Project and to refund the Authority's $1,948,200 Revenue Bond (Bethesda Home and Retirement Center Project), Series 2012 (the "**2012 Bond**"); and (iii) pay costs of issuance and other costs related to the Bond and the Project (collectively, the "**Financing Purposes**").

All payments relating to the IFA Series 2015 Bond have been current and paid as scheduled.

ECONOMIC DISCLOSURE

The Association is governed by the following Board of Directors:

Dirk Danker – Chair
Howard Hamilton – Vice Chair
MaryBeth Buschmann
Chandler Barnes
Nan Brouilette
David Hoyem
Elsa Jacobson
Jim McClanahan
Mary Rasmusson
Ruth Reko
Laverne Schwartz
John Stodden
Suzanne Venema

Norwood Society, which sponsors the Original Norwood Foundation and will replace the Charitable Group as the sole member of the Association upon consummation of the merger, is governed by the following Board of Directors:

Scott Severson - Chairman
Kim J. Kidd – Vice Chairman
Allison Getz – Secretary/Treasurer
Rich Berthold
Michele Calbi
Ingrid Forsberg
Robert Galante
Linda Horwitz
Al Iverson
Rebecca Lind
Maureen McGuire
W. Kurt Meier
Arthur R. Peterson, M.D.
Martha L. Peterson
Betty Portenlanger
Michael Schaik
George N. Silca
David Stachowiak

PROFESSIONAL & FINANCIAL

Borrower's Counsel (Bethesda entities):	Anderson Rasor & Partners LLP	Chicago, IL	Maureen McGuie
Borrower's Counsel (Norwood entities):	Polsinelli PC	St. Louis, MO	Orren S. Adams Janice Anderson
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	MB Financial Bank, N.A.	Chicago, IL	Christian Streu
Bank Counsel:	Freeborn & Peters LLP	Chicago, IL	Anthony Zeoili Lizzy Magarian
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe S. Selden

RESOLUTION NO. 2017-1109-AD__

RESOLUTION AUTHORIZING CERTAIN AMENDMENTS RELATING TO THE ILLINOIS FINANCE AUTHORITY'S SENIOR LIVING FACILITY REVENUE BOND, (BETHESDA HOME AND RETIREMENT CENTER PROJECT), SERIES 2015, THE PROCEEDS OF WHICH WERE LOANED TO NORWEGIAN LUTHERAN BETHESDA HOME ASSOCIATION, D/B/A BETHESDA HOME AND RETIREMENT CENTER, AND RELATED ENTITIES.

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, the Authority issued its $7,517,000 Senior Living Facility Revenue Bond (Bethesda Home and Retirement Center Project), Series 2015 (the "**Bond**"), and loaned the proceeds to **Norwegian Lutheran Bethesda Home Association, d/b/a Bethesda Home and Retirement Center,** an Illinois not for profit corporation (the "**Association**"), Bethesda Foundation, an Illinois not-for-profit corporation (the "**Foundation**") and Bethesda Charitable Group, Inc., an Illinois not-for-profit corporation (the "**Charitable Group**" and, together with the Foundation and the Association, the "**Original Borrowers**") in order to (a) demolish the Association's existing vacant east building at the Bethesda Home and Retirement Center (the "**Retirement Center**"), a senior living housing facility located at 2833 North Nordica Avenue, Chicago, Illinois, construct a new 2,000 square foot rehabilitation center at the Retirement Center, remodel the first floor of the existing Retirement Center building and make related renovations and improvements thereto (all such facilities being owned and operated by the Association and referred to collectively as the "**Project**"), (b) repay certain indebtedness of the Borrower incurred to pay costs of the Project and to refund certain previously issued bonds of the Authority; and (c) pay costs of issuance and other costs related to the Bond and the Project; and

WHEREAS, the Bond was issued pursuant to a Bond and Loan Agreement (the "**Bond and Loan Agreement**") among the Authority, the Original Borrowers and MB Financial Bank, N.A. (the "**Purchaser**") and the Bonds were purchased and are currently owned in whole by the Purchaser; and

WHEREAS, it is now proposed that, among other transactions, (a) Norwood Life Society, an Illinois not for profit organization (the "**Norwood Society**") replace the Charitable Group as the sole member of both the Association and the Foundation; (b) the Charitable Group dissolve and be removed as a "Borrower" (as defined in the Bond and Loan Agreement); (c) Norwood Life Care Foundation, an

Illinois not for profit corporation (the "**Original Norwood Foundation**"), transfer its assets to the Foundation and thereafter the Original Norwood Foundation will dissolve; (d) the Foundation change its name to "Norwood Life Care Foundation-B d/b/a Norwood Life Care Foundation"); (e) the Foundation be released as a "Borrower" (as defined in the Bond and Loan Agreement), leaving the Association as the sole remaining Borrower (the "**Remaining Borrower**"); and (f) amend certain covenants in the Continuing Covenant Agreement and other security documents related to the Bond between the Association, as the Remaining Borrower, and the Purchaser (the transactions referenced above, collectively, the "**Transactions**"); and

WHEREAS, in order to effectuate the Transactions, it may be necessary and desirable to amend the Bond and Loan Agreement pursuant to an amendment thereto (the "**Bond and Loan Agreement Amendment**"), a draft of which is before the Authority on the date hereof, and to take other related actions.

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

Section 1. Findings. Based upon the representations of the Remaining Borrower, the Authority hereby makes the following findings and determinations with respect to the Remaining Borrower and the facilities financed and refinanced with the proceeds of the Bond:

(a) Following the Transactions, the Remaining Borrower will be a not for profit corporation organized under the laws of the State of Illinois and qualified to do business in the State of Illinois

(b) The facilities financed and refinanced with the proceeds of the Bond will continue to be owned and operated by the Remaining Borrower and such facilities will continue to be included within the term "*project*" as defined in the Act; and

(c) The facilities financed and refinanced with the proceeds of the Bond will 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.

Section 2. Bond and Loan Agreement Amendment. The Authority does hereby authorize and approve the execution and delivery of the Bond and Loan Agreement Amendment (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, General Counsel, or any person duly appointed by the Members to serve in such offices on an interim basis (each an "**Authorized Officer**"). The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Bond and Loan Agreement. The Bond and Loan Agreement Amendment shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the Bond and Loan Agreement Amendment and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Bond and the purchase thereof.

Section 3. 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 arbitrage and tax certificates or amendments thereto, a new or amended Bond, supplemental bond and loan agreements, execution and filing of a Form 8038 and any additional documents) as may be necessary to carry out and comply with the provisions of these resolutions and the Bond and Loan Agreement Amendment and in furtherance of the Transactions, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond and Loan Agreement Amendment or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond and Loan Agreement Amendment.

Section 4. 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 5. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Item No. 6 will be distributed separately.

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